Daily Report

Latin America

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Antigua, Barbuda To Switch Vote to Gaviria

PY2403223694 Madrid EFE in Spanish 1915 GMT 24 Mar 94

[Report by Maria Luisa Azpiazu]

[Text] Washington, 24 Mar (EFE)—Antigua and Barbuda's decision to break its commitment to Costa Rican Foreign Minister Bernd Niehaus in order to vote for Colombian President Cesar Gaviria in the post of OAS secretary general may trigger a "domino effect" and change some voters' intentions.

In the view of an expert consulted by EFE News Agency, Antigua and Barbuda's decision—which under other circumstances would have passed unnoticed—is of paramount importance now because it is the "first indication that the English-speaking Caribbean bloc, which was thought impregnable, has collapsed."

Antigua and Barbuda is one of the 13 Caricom [Caribbean Common Market] members that—according to what Niehaus has said again and again—had pledged, even in writing, to vote for him.

Notwithstanding this, Lester Bird, Antigua and Barbuda's deputy prime minister, explained that the commitment to vote for Niehaus was taken last October, when Gaviria had not yet decided to run for the OAS General Secretariat.

Therefore, Antigua and Barbuda's decision is based on the conviction that "his election will further the interests of the OAS in particular and those of the hemisphere's countries in general."

According to diplomatic sources consulted by EFE, Antigua and Barbuda's decision "opens the door for a general exodus of votes" from the Costa Rican candidate, who, in principle, thought he had secured 22 of the 34 votes to be cast on 27 March.

Bird believes "Gaviria has the best profile" to meet the challenges of the "new OAS."

This argument is shared by representatives from several countries, some of whom had initially committed themselves to voting for Niehaus but are now beginning to wonder about the "sense of their vote" given the "specific weight" of Gaviria's candidacy.

The shift in Antigua and Barbuda's position irrefutably proves that Niehaus no longer has the 22 votes he asserted he had some days ago. His followers contend nonetheless that "there are still three votes more than needed for him to be successful in the poll" since only a simple majority is needed, i.e. 18 votes.

Member countries' delegations also have gotten involved in the scramble for the General Secretariat race between Niehaus and Gaviria, by—openly or silently—endorsing one candidate or the other. The issue has divided and stirred the OAS to such an extent that if each candidate had the votes his followers claim, the OAS would have 50 instead of 34 members.

With barely three days left for the election to replace [incumbent OAS Secretary General] Joao Clemente Baena Soares, Niehaus, who champions the right of small countries like his to head the OAS, stressed in a news conference that he feels he is involved in a "fight between David and Goliath." Nevertheless, he said he has 21 votes that will secure his victory.

The Colombians and their followers challenge these figures and, without expressing figures in their support, guarantee that they have enough votes to "be successful" on 27 March.

Meanwhile, the OAS has become a place for lobbying and betting where lunches and "two-to-one" bets are rampant in an effort to discover vote preferences for 27 March.

It must not be forgotten, however, that the vote for the OAS General Secretariat is "secret," and that anything might happen under the cover of anonymity, even forgetting commitments.

Cuba

Castro Sends Condolences to President Salinas

FL2503021194 Havana Cuba Vision Network in Spanish 0100 GMT 25 Mar 94

[Text] On 24 March, Cuban President Fidel Castro condemned the assassination of Luis Donaldo Colosio, presidential candidate for the Institutional Revolutionary Party of Mexico. This is the full text of the message sent by Castro to Mexican President Carlos Salinas de Gortari:

Your Excellency Carlos Salinas de Gortari, president of the United States of Mexico:

Your Excellency: Deeply moved by the tragic news of the attack and death of Luis Donaldo Colosio, presidential candidate of the Institutional Revolutionary Party, I write to you to express our consternation, pain, and condemnation of such an unjustifiable act. In this difficult and bitter moment for Mexico, we hope this brotherly people will find all the wisdom, serenity, and energy necessary to overcome the difficulties and leave behind this hard and crucial test of history.

I beg of you to convey to the widow, children, and other relatives of Luis Donaldo Colosio our most sincere condolences. To you and the Mexican people, our most sincere feelings of friendship.

[Signed] Fidel Castro Ruz, president of the Council of State and the Government of the Republic of Cuba.

DPRK Ambassador Gives News Conference in Havana

FL2403202494 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Mar 94

[Text] DPRK Ambassador to Cuba Kim Sung-yong has given a news conference in Havana. He referred to the statement issued by his government concerning the noncompliance by the United States with the New York agreement for a global solution of the nuclear issue.

The document notes that the U.S. attitude has created a serious situation on the Korean peninsula that can take the nation to confrontation and war. Taking into account the stand of the U.S. Administration, Korean officials have decided unilaterally to cease compliance with the provisions concerning simultaneous measures; neither will they send a delegation to the third round of talks with the United States in Geneva.

[Begin Kim Sung-yong recording, in Korean with superimposed translation into Spanish] As the statement says, we have fulfilled all our obligations included in the agreement signed with the United States in New York. But the problem is that the United States is not fulfilling its task and is putting much pressure on us. Therefore, we are not sending a delegation to the third round of talks scheduled for 21 March, and our talks with South Korea on the exchange of special envoys have also been suspended. [end recording]

The DPRK and the United States have agreed to fulfill four simultaneous measures, which are: cancellation of the Team Spirit-94 joint military maneuvers; resumption of contacts of experts for the exchange of special envoys between North and South Korea; inspections by the International Atomic Energy Agency intended to provide the continuation of the guarantee; and, beginning on 21 March, the third round of talks in Geneva.

Robaina Discusses Government's 'New Orientation'

PY2403213894 Santiago EL MERCURIO in Spanish 13 Mar 94 p A18

[Article by Javier Bernales]

[Text] Havana—Cuban Foreign Minister Roberto Robaina said his government's new orientation is that "without giving up the socialist plan we have chosen, we can trade with a capitalist world" because "we have no choice: Either we adjust ourselves to that situation and save the essence, or we will simply fall in the arms of those who want us to fall, losing the victories essential to us."

Robaina, 38, has assumed the responsibility of directing and developing Cuba's foreign policy, which he has done from an offensive position.

[Bernales] What is the restructuring of the Cuban foreign policy?

[Robaina] I would not speak about restructuring, but about the need to make a policy in line with the current times. It is necessary to take into account factors of the new situation in the world, in the area in which we live, and in our country. We simply want a foreign policy that reflects the real situation in the country, which is very difficult and complex, a policy that should not only envisage our problems but also explain our plan to the world.

[Bernales] What has been your reaction, as head of your portfolio, to the designation of a special observer for Cuba by the UN Human Rights Council?

[Robaina] We have absolutely nothing against the observer, but we do reject the mechanism because the designation was made on the basis that human rights are flagrantly and massively violated in Cuba. For us to accept the observer would mean agreeing with this position.

[Bernales] Changing the subject, Cuba's foreign trade is adjusting itself to the international free market system. Cuba has to adjust itself to the foreign capitalist system in order to maintain the socialist system on the island. How is this apparent contradiction being experienced?

[Robaina] It is very complex. For us it is clear that the point is to adjust ourselves to an economic model whose name I will not try to specify. If I am asked about it, I reply that the economic model is Cuban and also feasible. No one asks any questions about work in the education, scientific, or health areas. There are, however, major questions on a group of economic factors that have yielded no results. That is why we are trying to join a world in which the rules of the game are different from the ones by which we have traditionally directed our work. Joining that world, while keeping our own line and saving the essential factors, is the process on which we have embarked. It is very hard and very difficult, but by being alive it has begun to show at least that it exists, and the 100-odd entrepreneurs—or non-entrepreneurs—or the 100-odd businesses that foreign firms have opened in Cuba prove that we can trade with the capitalist world without giving up the socialist plan that we chose. There are difficulties, but it is possible to trade.

[Bernales] Please make a brief commentary on the progress in Cuban-Chinese relations.

[Robaina] There are fine relations with China; there is a high level of exchange and communication, which I believe had its crowning point with the Chinese president's recent visit to Cuba. In addition, China has many important experiences that we have to evaluate, without the idea of mechanically copying them but with the idea of studying them in order to make progress.

[Bernales] In the past four years, relations with Russia and with the former Soviet republics had to forcefully change for Cuba. How are they now?

[Robaina] There is high-level communication with Russia, but everyone knows that Russia is experiencing a tremendously complex internal process that has nothing to do with the level of communications with Cuba. There are more or less normal relations with the other former Soviet republics. But both the former Soviet republics and the former socialist countries are experiencing an internal process that calls for strong adjustments in order to define some of their foreign policy guidelines.

[Bernales] How are diplomatic relations with Chile, taking into account that there is no Cuban embassy in that Andean country?

[Robaina] Relations and communications are in good shape. Much noise has been made as to whether we were invited to the Chilean inauguration. It is an exclusively Chilean matter; they decided to invite a group of people based on concepts and a policy that we, like any other country, can respect. We are not desperate about our diplomatic relations, and we are not trying to accelerate contacts either. Our communications have reached a certain level. There is an increasing number of economic links that can be established. We should not despair. Everything will come in due time. The time will come when both Chileans and ourselves will find that conditions are appropriate; there is no need to hurry. What I can assure you is that having no ambassadorial-level relations is not an obstacle to fluent communication.

To Attend Central American Conference

PA2403201794 Hamburg DPA in Spanish 1657 GMT 21 Mar 94

[Text] Havana, 21 Mar (DPA)—An official source reported in Havana that Cuba will participate for the first time in the regional meeting of Central American and Caribbean foreign ministers that will be held in April at San Jose, Costa Rica.

A diplomatic spokesman told the DPA that Foreign Minister Roberto Robaina will accept an invitation extended to his government to participate in the meeting, in which issues common to the area will be discussed. The Third Conference of Central American Nations and the Caribbean Common Market (Caricom) will discuss the progress achieved in the development of democracy in the area and a regional cooperation program. According to the source, Cuban Foreign Minister Robaina expressed his interest in participating in a forum like the one in San Jose, and he was pleased with the invitation extended to Cuba.

The conference, originally scheduled for the end of March, was postponed by the Costa Rican Foreign Ministry until April, at the request of the Caribbean countries, which claimed they had problems with their ministers' agendas.

Concerning Robaina's possible visit to Spain, the diplomatic source said it could occur in May. However, he said the exact date must be adjusted by the two countries' foreign ministries. The source reported the chief of Cuban diplomacy plans to tour Central America during the first half of April, but the details and itinerary have yet to be defined.

End of Embargo on Cuba Supported in Zimbabwe

FL2403160594 Havana Radio Reloj Network in Spanish 1500 GMT 24 Mar 94

[Text] The Zimbabwe-Cuba Friendship Association today expressed full support to negotiations being carried out by U.S. Congressman Charles Rangel, a Democratic Party representative, seeking the lifting of the economic blockade against Cuba.

The association sent a message to Rangel who this week submitted a bill to Congress demanding the end of the inhumane U.S. policy against Cuba.

Officials Discuss Human Rights Issue

FL2403200194

[Editorial Report] Havana Cuba Vision Network in Spanish at 0200 GMT on 24 March carries live its "Open Agenda" program with host Antonio Resillez and his guests Ambassador Eumelio Caballero, chief of the

Foreign Ministry's multilateral department, and Ivan Mora, a specialist of the Foreign Ministry.

Resillez begins the program by noting that many Cubans believe that the only thing discussed by the UN Human Rights Commission is the so-called Cuban case. He goes on to point out that the Human Rights Commission discusses other things related to political and social issues, such as child pornography, trafficking of children, etc.

In that sense, Caballero says: "I am very happy that this has been brought up in this program for our viewers—the work carried out by the Human Rights Commission. I myself have sometimes had the perception that the Human Rights Commission is related to the Cuban case only, when that is only a small part of the work that our delegation does in Geneva."

In reviewing some of the issues discussed at the Human Rights Commission, Mora says: "Cuba is not sitting on the stand as a defendant regarding Human Rights. When we talk about human rights we must talk about human rights violations that are taking place around the world." Mora goes on to say: "Small countries, like Cuba, are developing different initiatives in defense of the interests of the World, the Third World, defending the interests of the greater populations of the Third World. Cuba has been making headway in this area every year. As a matter of fact, Cuba has received the recognition from the Third World for the sacrifices that Cuba has to face."

Answering Resillez's question on how many propositions and resolutions Cuba participated in during the 50th session, Mora notes: "Cuba was the delegation that presented the largest number of initiatives at the 50th session. They totaled 10, six of which were discarded despite the large support by the Third World. Some were even adopted by consensus, such as the issue on the environment, which is an issue of great concern among many countries of the North as well as of the South. Cuba sponsored amendments to approximately 20 resolutions, and cosponsored another 25 resolutions."

Mora goes on to say: "We are talking about space gained by Cuba on the international scene, which represents a great deal of respect in the international arena."

Resillez asks about the vote on the special rapporteur for Cuba to which Caballero responds: "Something important happened at the session. The fact is that the United States, despite all its capacity to apply pressure and being the power that leads the unipolar world, lost three votes in favor while the number of abstentions rose from 15 to 20. In UN terms, this sends a message. This means that this year, the majority of the commission of 53 members was not dragged by the United States into this vendetta against Cuba. If we add the abstentions, of which there were 20, with the votes in favor of Cuba, in this case against the resolution, which totaled nine, this means that 29 countries, more than half, pronounced themselves against it. I believe this is significant because the United States reached the highest point it could reach on the manipulation of the issue against Cuba, and now the retreat has begun. That is the best reading or analysis."

Resillez asks about reaction from other delegations to the secret U.S. Interest Section document. On this topic, Mora responds: "I believe this document favored the vote. In other words, it was an element that supported something we had been saying for several years, which is also recognized by the great majority of the members of the United Nations. The document caused a great deal of bewilderment among the U.S. delegation. It was a scandal where they had been caught red-handed in their action of condemning alleged human rights violations in Cuba, when it was demonstrated through the document that it was all a great lie."

In that sense, Mora goes on to say that the document was important because it characterized those people and groups in the United States who are interested in subordinating the revolution to the will of the empire.

Regarding the special rapporteur Caballero says: "The Cuban people should not feel complexes or be worried about the fact that there is a special rapporteur or that the Cuban case is on the agenda of the Human Rights Commission." He goes on to say: "The international community, including countries allied with the United States, understand that in Cuba there is no systematic violation or problem with human rights. That is well understood by the international community. Sometimes—Ivan has seen this—after voting against us many of these delegates approach us to excuse themselves and to say that they are sorry that they voted that way, but that they had been forced to do so. In other words, there is an understanding on the international arena that we do not have this type of problem in Cuba."

Caballero adds: "The most important thing is that just a few days ago, in New York, the Latin American group endorsed Cuba's reelection to the Human Rights Commission."

Answering Resillez's question on the group of Nobel Prize Winners who will visit Cuba, Mora remarks: "The Foreign Ministry is studying the composition of the group that will visit us. We reject the imposition of the special rapporteur since it was done violating all the procedures established by the United Nations, but at the same time we have absolutely nothing to hide. That is why we want international personalities, Nobel Prize winners, to see what our actual situation is. It will be a good opportunity for them to see the effects of the U.S. blockade against Cuba."

Ross Attends Worker Assembly Plenums

Announces CTC Secretariat Meeting

FL2403203394 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Mar 94

[Text] During the assessment of Parliaments in the Workplaces in Matanzas Province, Pedro Ross Leal said

that the country seeks consensus on, understanding of, and comprehension of the measures that will be adopted to bail the country out of its adverse economic situation. He added that the National Secretariat of the Cuban Workers Federation [CTC] will meet on 29 March to analyze the requirements of the process nationwide.

Chairs Plenum Closing in Matanzas

FL2503031794 Havana Cuba Vision Network in Spanish 0100 GMT 25 Mar 94

[Text] As in the rest of Cuba, the Parliaments in the Workplace have concluded in Matanzas Province. Each of the proposals and suggestions made by the workers during the sessions of the Parliaments in the Workplace will be taken into account and will receive an appropriate reply by the union leaders of the various sectors involved in the meetings.

This was confirmed by Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC], during his address in the meeting closing the process in Matanzas. Yadira Garcia, Politburo member and first secretary of the Communist Party of Cuba in Matanzas, also chaired the meeting.

Ross announced that on 29 March the CTC National Committee will meet officially to close the nationwide process. Topics such as profitability, economic efficiency, subsidies, and possible measures to prevent excess currency were issues discussed by the 205,000 workers in the province who participated in the base meetings, where more than 9,400 interventions were recorded. Both figures represent a record for union meetings in this providence.

Ross added that Cuba is looking for a consensus on, understanding of, and comprehension of a package of possible measures to be implemented, some of which are controversial such as the change of currency, an issue on which there are many opinions. There are other measures being endorsed by most of the population, such as the confiscation of ill-gotten money.

Speaks at Cienfuegos Plenum

FL2403150394 Havana Radio Rebelde Network in Spanish 1200 GMT 25 Mar 94

[Excerpts] Yesterday, Cienfuegos Province held its plenum to summarize the workers parliament process in that province, where it was stated that more than 100,000 workers participated in the more than 2,700 workers parliaments held at different work centers in Cienfuegos Province. Economic efficiency was recognized as the essential road to Cuba's recovery. Furthermore, the importance of solving the problems through common effort and intelligence and through honoring the principles of the revolution, was stressed.

Several presentations were made during the meeting on what has been accomplished through the implementation of ideas brought forth by workers. These demonstrate the point that we must begin by becoming efficient in our own lives. [passage omitted]

Pedro Ross, secretary general of the Cuban Workers Federation [CTC], recognized that Cienfuegos has been very responsive to the ideas presented in the parliaments and stated that we do not have to freeze those ideas since new ideas could arise which could be more fitting to our actual situation. Ross went on to say that all possibilities have not been considered. He congratulated Cienfuegos for its dynamism in responding to the workers.

In his remarks at the plenum summarizing the workers parliaments in Cienfuegos, Ross said that all the officials that attended the parliaments should keep in touch and follow up on those collectives, since we are just beginning the phase of shaping those ideas presented. Pedro Ross stated that all problems cannot be solved overnight, but that we must be active and bold, as is the case in Cienfuegos, through the implementation of ideas presented at the different workers parliaments throughout the province.

GRANMA Analyzes Cuban Army Activities in 1993

PA2403204994 Madrid EFE in Spanish 1852 GMT 22 Mar 94

[Text] Havana, 22 Mar (EFE)—Cuba is prepared "to wage victoriously, if necessary, a peoples war," according to a final analysis of the Cuban Army's activities during 1993, published today by the official newspaper GRANMA.

The "strengthening of the Revolutionary Armed Forces [FAR] capability and combat readiness" is the principal conclusion reached by the Military Council Session of the Defense Ministry, which was presided over by Defense Minister Raul Castro, the second in the island's political hierarchy.

The effort and initiative displayed despite the special period's limitations "have allowed the country to be in a position to victoriously wage, if necessary, a peoples war," the official report emphasized.

Referring to the economic issues, the 50 percent reduction in the military budget is important proof of the FAR members' will to make the FAR cost the nation as little as possible, which would also help reduce the national budget deficit, it was added in the note prominently displayed by the Cuban communist newspaper.

The article also emphasizes that "the important results achieved in all areas of military activities would not have been possible without proper discipline and the troops' high political and moral condition."

Moreover, the newspaper reports Enrique Carrera was promoted to the rank of division general on his 50th

anniversary as a combat pilot. It says that, "to everyone's satisfaction, he is one of those generals who will die with their boots on," and he is still an active member of the FAR at the age of 71.

During the promotion ceremony, General Ulises Rosales de Toro, chief of the Armed Forces Supreme Command, said Carrera "became a master of the air, and he modeled and forged character and ethics standards that represent an example of human virtue, trustworthy military honor at the service of his people, patriotism, and revolutionary and communist spirit."

Gen. Enrique Carrera is one of the pilots who participated in air combat during the 1961 Bay of Pigs (Playa Giron) invasion.

Haiti

Opposition to Delivery of French Food Aid Cited

Sansaricq on Plan To Block French Aid

FL2403214894 Port-au-Prince Radio Metropole in French 1145 GMT 24 Mar 94

[Excerpts] Mobilization continues and spreads against the French food aid to schools in Port-au-Prince and in the provinces. Following political lines, members of the Haitian Parliament openly oppose the arrival of the French ship. A group of senators led by Bernard Sansaricq stands against the arrival of the French ship.

On 23 March, demonstrators—FRAPH [Revolutionary Front for the Promotion and Progress of Haiti] militants and those of the Capois La Mort, the same militants who thwarted the MINUHA [United Nations Mission in Haiti] on 11 October 1993—camped for two hours in front of the French Embassy in Port-au-Prince. One day before the scheduled arrival of the ship bearing food aid, tension seems to have moved up a notch. Rothschild Francois reports:

[Begin recording] [Francois] A demonstration was held in front of the French Embassy. Demonstrators were carrying placards denouncing Paris' attitude in the Haitian crisis: Democracy, Yes! France's food, No! [passage omitted].

Other reactions include that of Serge Gilles, president of the Jean Xavier Foundation, who favors the arrival of the French food aid. Gilles says, however, that the international organizations must think in the future of purchasing those products in Haiti in order not to change the Haitian population's food habits.

[Gilles, in Creole] One can not turn up his nose at 50,000 meals, but I understand the people who have reservations. However, I must be realistic because children are dying. There is no food. It is not the kind of aid that we would choose to receive, but we find it. Let us give it to the children, and let us talk with the people so that they change their aid if they give money. We do not need the money. They can set up an organization which can buy rice, beans, and oil here. It will be better for the Haitian people, for the Haitian nation.

The solution lies in lifting the embargo, in international cooperation that must resume immediately, in the appointment of a prime minister, in the installation of a government with an emergency program. That is where the solution lies. Until we agree on a solution so that the embargo is lifted and international cooperation resumes rapidly, if we can distribute the 50,000 meals, let us do so.

[Francois] The Senate office of Senator Sansaricq categorically opposes the landing of the French humanitarian aid ship. In a statement to Radio Metropole, Sen. Sansaricq took the opportunity to criticize the French policy in Haiti. Sen. Sansaricq announces that the Senate members will be present at the Port-au-Prince harbor to prevent the landing of the French ship.

[Sansaricq] It is unacceptable. The senators will be at the Port-au-Prince harbor on 25 March, and we will take all necessary measures to prevent the landing of this ship. It is an insult to the nation. It is an insult to the Haitian people. It is an insult to our intelligence that France, which has imposed an embargo on us for 30 months, now buys food from Guadeloupe to distribute in Haiti. Twenty thousand have died in Haiti. It is a real affront. The Senate strongly stands against it, and we will be there personally to prevent the landing of this ship. We will hold Philippe Seltz personally responsible for any scratch inflicted on a senator. We will be there with all the necessary strength in order to oppose the landing of this ship. [end recording]

Groups Protest Arrival of Ship

PA2503011494 Madrid EFE in Spanish 2135 GMT 24 Mar 94

[By Herold Jean-Francois]

[Text] Port-au-Prince, 24 Mar (EFE)—Members of the right-wing groups Revolutionary Front for the Promotion and Progress of Haiti (FRAPH) and Capois La Mort protested today in front of the French Embassy in Port-au-Prince the arrival this Friday in Haiti of a French ship with some 500 tons of food.

France Pierre, who is responsible for the group Capois La Mort (name of an independence hero), said that along with the food destined for some 50,000 students "there will also be French troops arriving to invade the country."

Emmanuel Constant, leader of FRAPH, said there were plans to conduct demonstrations to prevent the ship's arrival because, in his opinion, the expiration dates on the food sent by the French Government has elapsed and "will kill the children."

The French Embassy in Haiti, however, said the food destined for public and private school students is in good

condition and that they will come with a certificate to prove the quality of the products purchased on Guadeloupe. In a communique published on Wednesday, the French mission added that the food shipment is part of the traditional assistance that several countries have been providing to Haiti.

Despite the information given by the French Embassy, right-wing groups continue to voice their opposition to the ship's arrival. Constant even accused the French Government on Monday of being "cynical because it is creating hunger in the country as a supporter of the economic embargo against Haiti but is now giving alms to clean its conscience."

According to Constant, the real solution is to lift the embargo so that Haitians "can satisfy their economic needs." Senator Bernard Sansaricq, president of one of the two boards of directors of the Senate, said that 13 senators will show up at the Port-au-Prince wharf on Friday to prevent the French humanitarian aid from being unloaded. "It is an insult to the nation, the people, and our intelligence that France, after imposing on us a 30-month embargo which has killed 20,000 children, is now sending us food," said Sansaricq. He added that the group of senators has the means to prevent the unloading of the food. Sansaricq blamed Philippe Seltz, in charge of French affairs in Haiti, for what may happen to the senators who will show up at the wharf to protest.

Meanwhile, Serge Gilles, leader of the Nationalistic Progressive Revolutionary Party of Haiti (Panpra), said that even though this type of aid is not the most advisable thing it must be accepted to save the children. Gilles suggested that from now on the food someone may wish to donate should be purchased in Haiti.

The arrival of the ship with the food has been supported by Reynold Georges, leader of the Alliance for the Liberation of Haiti (Alah). Georges, who has supported the position of FRAPH and other right-wing organizations close to the military, said it is necessary to receive the aid to prevent the deaths of children.

Stanley Schrager, spokesman for the U.S. Embassy in Puerto Rico [as received], said it is difficult to understand the groups that do not accept humanitarian aid in the country. Schrager said that France wants to participate in the aid given to Haiti and feels that the gesture should be appreciated.

Alliance Hardens Opposition to U.S. Stance

FL2403212394 Port-au-Prince Radio Metropole in French 1145 GMT 23 Mar 94

[Excerpts] After a week of inactivity, the senators from the opposition and those elected on 18 January 1993 returned to the parliament to hold sessions in the Senate. The resumption of sessions on 22 March was a reply of sorts to the warning in the statements made by the U.S. ambassador in Port-au-Prince. William Lacy Swing had hoped for a normalization of the Senate with the presidency of Firmin Jean-Louis. But such was not the case. Edner Jean reports:

[Begin recording] [Jean] The warning from the U.S. Embassy clicked in the Senate—but in a sense opposite to that Ambassador Swing had perhaps hoped for. The office led by Senator Bernard Sansaricq had not held sessions for three weeks, giving priority to the negotiations of the Alliance [for Parliamentarya Cohesion] which was trying to put an end to the internal divergence.

The first effect of the U.S. Embassy press release was the cessation of those talks. Alliance senators, divided on the question of the two offices, had to go back to their camp, which led Dejean Belizaire, president of this political bloc, to say that the Alliance for Parliamentary Cohesion owes its existence only to the firm determination of its members. He deplores what he calls the brutal interference of the U.S. Embassy in Senate affairs.

[Belizaire] If the international community has good reason to satisfy the whims of President Aristide and those of the legislators close to him and encourages them to violate the Governors Island accord, the New York pact, and the Constitution, the Alliance for Parliamentary Cohesion owes its existence only to the firm determination of its members to defend the Constitution and to promote an ideal of peace, justice, and democracy worthy of our ancestors' struggle to make Haiti into a modern state, independent and sovereign. The Alliance for Parliamentary Cohesion deplores the brutal interference of the U.S. ambassador in the Senate's affairs. [end recording]

[Jean] Besides those protests from the president of the Alliance, the senators elected on 18 January, the main target of Mr. Swing's statements, reiterated that they had returned to the parliament to stay. Proof of their determination: In response to the Embassy's press release, they oppose a draft resolution severely castigating the office led by Firmin Jean-Louis. Let us listen to Romel Manigat:

[Manigat] The senators are setting a dangerous precedent, meaning the lack of respect for the decisions made by the majority, and are introducing a subversive parliamentary practice which consists of having recourse to foreign interference in order to influence the legal decisions of a legitimate power of a sovereign state each time the petty interests of a minority are threatened. Considering that Senator Firmin Jean-Louis, Julio Larossiliere, and Yvon Gislain failed in their constitutional oath provided in Article 109; considering that it is necessary to reinforce discipline in the Senate and to protect the Haitian nation's superior interests, I am requesting, if it please the honorable members of the Senate Discipline and Ethics Committee, that you propose to the senators a draft resolution requesting the application of the 4

March 1994 resolution suspending the senators judged guilty for a four-month period with loss of their salary. [end recording]

[Jean] Another consequence of the press release from the U.S. Embassy is to remind the Bernard Sansaricq office that it had a government to dismiss and another to constitute as soon as possible. On that side, the senators from GARD [Action Group for the Recovery and Defense of National Sovereignty] and of the Alliance are mixing speed with haste. They do not agree on the best ways to achieve their goal.

[Unidentified senator] Starting 22 March, Prime Minister Robert Malval's resigning government is no longer authorized to deal with the day-to-day matters of the Haitian state.

Article 2. The day-to-day matters of the Haitian state will from now on be dealt with by the directors general of the various ministries of the first rank below the resigning prime minister and under the control of the legislative power. [passage omitted].

[Jean] All things considered, despite the firm statements and the unreserved support of the Americans to the office led by Firmin Jean-Louis, the control of the Senate of the Republic seems to have definitively escaped the normalized office. In any case, the contested senators elected on 18 January proved on 22 March their firm determination to challenge the international community, which was expecting a regularization of the situation in the Senate in order to vote on the legislators' plan. [end recording]

Ministers Cited on Disputed Land Deal

Aristide Minister Approves Deal

FL2403222594 Port-au-Prince Signal FM Radio in French 1130 GMT 24 Mar 94

[Text] Port Tortuga officials have spent nearly $200,000 on the project, not $0.5 million as announced by the commerce minister, according to Mole Saint-Nicolas Deputy Elie Plancher, who questions the benefits that the Haitian state can derive from the project that is not a bad investment on the whole.

[Begin Plancher recording, in Creole] In 1991, Aristide's Commerce and Industry Minister Jean-Francois Chamblain gave his theoretical consent to the project. This clearly means the first works should have normally begun, should have been in process. The communal commission gave its support to the project. On 9 July, there was an authorization regarding the first step. This means the project could have started. But we can say, despite all those expenses made in this area by Port Tortuga S.A., there is not yet any legal document authorizing Port Tortuga to function properly in this area. So far, I am telling you, there is no agreement. The Haitian state has not given its authorization in a definitive manner for the start of the project. [end recording]

It should be noted that the Port Tortuga S.A. matter was an oustanding issue during the departure of [Commerce and Industry Minister] Saidel Laine in August 1993. In his memorandum on the occasion of his departure, Dr. Laine pointed out that his successor should contact several officials, such as those of the National Office [of Tourism], the management of juridical affairs, and the consultants to the minister's office. We learned from a source close to the former commerce minister that no decision was made before Laine's departure.

Furthermore, we learned that the Port Tortuga S.A. issue was discussed in the Council of Ministers on several occasions and was rejected each time.

Dejoie Denies Signing Agreement

FL2403221094 Port-au-Prince Signal FM Radio in French 1130 GMT 24 Mar 94

[Passages within quotations in Creole]

[Excerpts] The Commerce and Industry Commission of the lower chamber heard resigning Commerce [and Industry] Minister Louis Dejoie II on 23 March. It has never been a question of a sale, but only a lease contract between the Haitian state and officials of Port Tortuga S.A., said Minister Dejoie. I have never granted a portion of the national territory to any foreign company, Dejoie said at the conclusion of his conversation with the Commerce and Industry Commission of the lower chamber.

The commerce [and industry] minister was responding to the convening of the commission about the Port Tortuga matter on 23 March. The PAIN [National Agricultural and Industrial Party] leader demanded a meeting in camera as he refused to provide explanations to the deputies in the presence of journalists. The Port Tortuga matter is nothing but a lease contract binding the Haitian State and the officials of that company for the exploitation of a portion of Mole Saint-Nicolas, according to Louis Dejoie:

[Begin recording] [Dejoie] There has never been a sale of land, either by Minister Dejoie nor the preceding [commerce] ministers, to a foreign company at any time. [passage omitted]

No contract has actually been signed between the Haitian state and Port Tortuga S.A. A draft contract was sent to [Minister of Finances and Economy] Rey—who is also a party to this project—for her signature. She has not signed. She did not want to sign—(?according to) a letter I received from her—[prior to] certain formalities. [passage omitted]

"I have signed no contract." [passage omitted] This is a draft contract between the Haitian state and a company called Port Tortuga for the exploitation of something touristic.

[Unidentified reporter] Louis Dejoie II says he is waiting for apologies from the head of state if [Aristide] really

asked him to put an end to illegal activities. The PAIN leader pointed out that he has never received any request from President Aristide about Port Tortuga S.A.

[Dejoie] [Passage omitted] "I do not really know whether President Aristide made such a statement. But if he did," which counters even all that I have said here—and everybody has evidence that Dejoie (?could) never sell or alienate a tiny plot of land—I am waiting for retractions from the president of the Republic.

[Unidentified journalist] "So, he has not asked you (?to do) anything?"

[Dejoie] "He has not asked me (?to do) anything. I have received nothing from the president. Neither would he dare ask me for something like that when I have done nothing contrary to the law." What I can tell you is that I believe in the honesty of the president of the Republic, who would not say such things if he did not have information. "In my opinion, leaflets saying that Dejoie has done this and that have been sent out."

[Journalist] "Will you give up the project?"

[Dejoie] No, the project cannot be given up. "The government has resigned. A new government has to be established and take care of it." [end recording]

Chretien Meets With Leaders, Expresses Confidence

Addresses Congress

PA2503145294 Mexico City NOTIMEX in Spanish 2239 GMT 24 Mar 94

[Text] Mexico City, 24 Mar (NOTIMEX)—Canadian Prime Minister Jean Chretien told the Mexican Congress today Mexico has the capability to overcome the blow stemming from the murder of the presidential candidate of the Institutional Revolutionary Party [PRI].

Referring to Luis Donaldo Colosio's murder before members of the six congressional political parties, Chretien said: "I am sure they (Mexicans) will bear this tragedy and will continue to advance in democracy."

Chretien addressed Congress following a one-hour meeting with Mexican President Carlos Salinas de Gortari that was held this morning at Los Pinos Presidential Residence in Mexico City.

Chretien underscored in his speech: "In moments such as these, we are all brothers and sisters, and I am confident this tragedy will bring us even closer and that Mexico will continue to fight to defend its democratic values."

Minutes before, in his welcome speech to Chretien, PRI Senator Silvia Hernandez said with a weak voice and tears in her eyes that, unfortunately, he "came at a time of national sorrow which under other circumstances would have been a time for celebration."

Hernandez conveyed the respect Mexicans feel for Canada due to its democratic and multicultural background and for being a nation that has always offered its support to developing countries, showing its concern for the respect of human rights and the environment.

At the end of his speech, members of the various parties asked Chretien questions regarding NAFTA, the situation of Indians in Canada, and Quebec's separatist movement.

Regarding NAFTA, Chretien explained it substantially improves the bilateral agreement Canada had with the United States and it will help improve living standards in North America.

He said he is convinced of the advantages free trade entails, recalling the Canadian economy has been able to rank among the seven most developed economies in the world because its export sector is the leading source in job creation.

Chretien said Canada is the main exporter per capita in the world, clarifying the NAFTA members (Canada, the United States, and Mexico) must still work on the definition of subsidies and dumping to establish more clear rules and a more just trade.

Regarding the situation of Canadian Indians, he said the solution has been and should be "cultural diversity in unity" so that instead of trying to westernize the Indian peoples, "they prefer to guarantee them their autonomy."

In this sense, Chretien said Quebec's separatist movement has always existed, and although it might be legitimate, he is confident people in Quebec prefer to remain members of the Canadian federation.

Chretien began today a three-day official visit to Mexico where he had planned to attend a dinner in his honor offered by President Salinas de Gortari.

The event was canceled, however, due to the attempt against Colosio Murrieta, who was shot in the head and abdomen following a political meeting in the northwestern city of Tijuana.

Three hours after the attack, Colosio Murrieta, 44, died in Tijuana General Hospital despite the efforts of a team of doctors to save his life.

Meets With Salinas

PA2503165394 Mexico City Canal 13 Television Azteca Network in Spanish 1411 GMT 25 Mar 94

[Report by Jaime Guerrero; from the "Good Morning from Mexico" newscast]

[Text] A footnote on this day of national mourning: President Salinas de Gortari received [Canadian] Prime Minister Chretien.

The day is very hot, and at a closed-door meeting Chretien and Salinas talked about matters related to NAFTA. They highlighted the benefits it represents for Mexico and Canada. It is a meeting where they discussed matters of bilateral interest. The Mexican president and the Canadian prime minister talked about common goals for the benefit of their nations.

The president's activities continued. Shortly after noon, Salinas met with former British Prime Minister Thatcher in private. Mrs. Thatcher waved at reporters following one and a half hours of talks.

To Continue Investments

PA2503154594 Mexico City XEW Television Network in Spanish 1300 GMT 25 Mar 94

[Report by Ivonne Romero; from the "Upon Awakening" newscast]

[Text] Canadian Prime Minister Jean Chretien said today Canada will continue to negotiate and invest in Mexico despite the tragic death of Luis Donaldo Colosio Murrieta, presidential candidate of the Institutional Revolutionary Party, on 23 March.

[Begin Chretien recording, in English] We must not allow violence to prevail. We must not give in to democracy's enemies. We must not allow this tragic event to turn back the clock of democracy and economic progress in Mexico. [end recording]

During a news conference in Mexico City, the Canadian prime minister explained he met with President Carlos Salinas de Gortari at Los Pinos on Wednesday evening. He said they both agreed the development of democracy and economic opportunities must continue.

Chretien also issued an invitation to Mexican and foreign businessmen.

[Begin Chretien recording, in English] You must not let last night's tragedy change your plans to do business in Mexico. Keep investing in this country, keep building the Mexican economy, keep working toward a more open and democratic society. [end recording]

Finance's Aspe on Current Economic Situation

PA2503060494 Mexico City XEW Television Network in Spanish 0430 GMT 25 Mar 94

[Interview with Finance Secretary Pedro Aspe by Francisco Fortuno in Mexico City on 24 March; from the "24 Hours" newscast—recorded]

[Text] [Fortuno] Dr. Pedro Aspe, thank you very much for these few minutes. Sir, what can we expect in Mexican economic matters following the events of the last few hours?

[Aspe] Well, as we all know, following these unfortunate incidents, in which our friend Luis Donaldo Colosio was killed, the financial sector today joined the call made by the president of the Republic and did not operate today because of the national mourning. International markets, where transactions are constantly taking place, such as public debt transactions and the issuance of stocks at the New York Stock Exchange, were somewhat nervous at the beginning. There was a certain decrease in the amount of transactions. Throughout the day we saw a return to stability, and it was a pleasant surprise. This means that markets are much more mature. Banks and the Mexican Stock Exchange and so on will return to normal operations tomorrow. They will open their operations as any other day. The important thing to note is the enormous stability that is being observed despite the tragic events. We have bigger, more stable, and more mature markets.

[Fortuno] Sir, the reaction by the United States, especially by President Bill Clinton and Treasury Secretary Lloyd Bentzen, was to give complete support to Mexico. Could you explain this support?

[Aspe] Certainly. As you have seen, today the president of the United States, after talking to the president of Mexico, issued a series of very favorable statements for Mexican institutions.

As you know, Secretary Bentsen issued two statements. The first one conveyed his strong support for the implementation of President Salinas' economic policy. His second statement was an unexpected one. We have a mutual support agreement between the U.S. Treasury and the Mexican Finance Secretariat, and one between the U.S. Federal Reserve Bank and the Mexican Central Bank. For many years these mutual support agreements had been maintained in the range of $1 billion. In an unexpected action and following many talks and negotiations that we were finally able to speed up today, we agreed on increasing this credit line from $1 to $6 billion. In other words, there was a one-time 600-percent increase.

Why is this important? What is truly important is that we have a good economic policy—one without deficits—a prudent monetary policy, and an autonomous Central Bank that will begin operating next 1 April. But in addition to this, it is important that we have sufficient international reserves, which fortunately we do. What we have today has been built up for many years. It is the result of the efforts of farmers and businessmen, as well as the government. We have large reserves. However, this mutual support agreement means that in addition to that level of reserves, we have an additional $6 billion to make the markets operate in an orderly manner by avoiding any volatile movements and to support the stabilization of the exchange markets, and needless to say, the economy as a whole.

I had the chance to talk with Secretary Bentsen yesterday and today, and this decision is truly flattering because it entails great trust and the idea that we are commercial partners with long-term plans. Also, in short-term troublesome times, it is mechanisms such as these that help us move closer to stability. However, we should not forget that true stability is achieved at home. We have been working on this stability, and this is why we will not have a fiscal deficit in 1994 because President Salinas is committed to turning over an economy with very low inflation, comparable to the international inflation level, an economy that is growing and recovering, and one that has reserves, order, vision, and direction.

[Fortuno] This is very clear, Mr. Secretary. Many thanks. We are very grateful.

[Aspe] Thank you. [end recording]

Remarks on Economic Stability

PA2503160194 Mexico City XEW Television Network in Spanish 1300 GMT 25 Mar 94

[Report by Miguel Barcenas; from the "Upon Awakening" newscast]

[Text] Finance Secretary Pedro Aspe attended the ceremony held at Los Pinos official residence where the pact [for stability, competitiveness, and employment] was signed. We asked him how things are in the economic sector after Luis Donaldo Colosio's assassination. Aspe

said clearly Mexico has the necessary economic stability to face the situation, and he announced economic and stock market activities will be resumed in our country today. He then explained clearly and in detail the $6-billion line of credit the U.S. Government has extended to Mexico.

[Begin recording] [Barcenas] Finance Secretary Aspe, what can we expect in Mexico's economic sector following the latest events?

[Aspe] As everyone knows, following the deplorable events which occurred yesterday and which resulted in the death of our friend, Luis Donaldo Colosio, today the financial sector endorsed the appeal issued by the president of the republic concerning a day of mourning, and it abstained from working. A certain nervousness prevailed earlier today, however, in international markets where constant operations are carried out, for example, public debt operations, the issuance of shares registered at the New York Stock Exchange and other types of documents, and this resulted in a downward trend.

We noticed a return to stability during the day, however, and this was a pleasant surprise, meaning the markets are much more serious and—why not say it—more mature. Banks, stock market firms, the Mexican stock market, foreign exchange houses, etc. will return to normalcy; they will open for business as any other day. The important thing to note about this is the enormous stability we noticed despite these tragic events. We truly have bigger, more serious, more stable, and more mature markets.

[Barcenas] The U.S. reaction, meaning President Bill Clinton and Treasury Secretary Lloyd Bentsen, has been to support Mexico fully; could you explain what this support entails?

[Aspe] Yes, of course. You must have heard today the U.S. President issued a series of favorable statements concerning Mexican institutions after talking with the president of the republic. You know Secretary Bentsen issued two statements: One was a statement of support, enormous support, for the way President Salinas has handled economic policy; second, an unusual thing. We have a reciprocal support agreement between the two treasuries, meaning, the U.S. Treasury and the Mexican Finance Secretariat, as well as an agreement between the U.S. Federal Reserve Bank and our Central Bank of Mexico.

These reciprocal support agreements had involved $1 billion for many years. In an unusual act and following many talks and negotiations that we were able to expedite today, we received an increase in the line of reciprocal support, from $1 billion to $6 billion, a 600-percent sudden increase. Why is this important? It is important to have a good economic policy, not to have a deficit, to have a cautious monetary policy, and to have an autonomous central bank, which will begin operations in April; in addition, we must have ample international reserves, which we fortunately have.

This has been achieved throughout the years thanks to the efforts exerted by workers, peasants, businessmen, and—why not say it—the government. We have ample reserves, but the reciprocal support agreement means, in addition to the reserve levels, we have $600 billion so markets may operate in an orderly manner, to prevent any erratic movement, and to support the stabilization of foreign exchange markets and, of course, the economy as a whole.

I had the opportunity to talk with Secretary Bentsen yesterday and today, and it is truly something that pleases us, because it represents great trust, the idea that we are truly trade partners, that we are partners with long-term visions and mechanisms. This give us what is necessary to maintain stability at a time when we may face short-term turbulences.

We must not forget real stability is achieved at home, and this stability has been built progressively; hence, we will have no fiscal deficit this year. We will not have it because this is a pledge assumed by the president of the republic: To deliver an economy with a very low inflation, comparable with international inflation; a growing economy, which is being recovered; an economy with reserves; an economy with order, vision, and guidelines. [end recording]

Economic Pact Representatives Sign Agreement

PA2503042194 Mexico City Television Network in Spanish 0200 GMT 25 Mar 94

[Statements by the signatories of the Stability, Competitiveness, and Employment Pact, PECE, including Mexican President Carlos Salinas de Gortari; Labor Secretary Arsenio Farell; Fidel Valasquez, president of the Confederation of Mexican Workers; and Hugo Andres Araujo, secretary general of the National Peasant Confederation, following a meeting at Los Pinos Presidential Palace in Mexico City on 24 March—live or recorded]

[Text] [Farrell] Mr. President: In view of the deplorable violence that took place yesterday in Tijuana, Baja California State and which led to the unfortunate death of Luis Donaldo Colosio Murrieta, presidential candidate for the Institutional Revolutionary Party [PRI], the signatories of the Stability, Competitiveness, and Employment Pact [PECE], in keeping with the sincere dismay of the Mexican people and in view of the need to redouble the efforts of all sectors to overcome this unhappy moment the nation is experiencing, have decided to reinforce the agreements currently in effect.

Whereas:

1. All Mexicans, above any legitimate aspiration and objective of each sector, give priority to social peace and are unwilling to allow it to be altered. We have much to do for the Mexico we want for ourselves and for our children within the pluralism and mutual respect that has always prevailed in this forum for concerted effort. The signatories of the PECE will forcefully defend the

results we have achieved as peasants, workers, businessmen, and government representatives. With the strength of unity, we are going to redouble our efforts to achieve the goals we have set for ourselves.

2. The unity within the framework of the law in a climate of harmony and full respect for the freedoms established by our country's political Constitution is a fundamental and indispensable element for moving toward the consolidation of our economy, the strengthening of our national sovereignty, and the improvement of the quality of life of all Mexicans.

3. One of the most important achievements of these agreements is the Mexican people's increased confidence in the future of the nation's economy. Thanks to this increased level of confidence, the difficulties that inevitably arise from time to time and that could affect our economic activity have been overcome without any major disruption of the country's economy. Yesterday's tragic events, therefore, did not trigger any crises in Mexican financial instruments today. On the contrary, the exchange rate at banks and currency exchanges abroad, as well as at unregulated currency exchange agencies operating in the country, showed considerable stability throughout the day. Such was the case for stocks, bonds, and other instruments issued by Mexican agencies and offered on many markets abroad, especially in New York.

4. Mexico's economic policies over the last few years, of which this pact is an essential element, have warranted not only the confidence of the domestic public and praise from international financial market players, but they have also elicited support from international organizations and the authorities of friendly nations. One outstanding example of this is that the U.S. Government has stated today that it is willing to allow U.S. financial authorities to assist our country's economic leaders in controlling currency exchange markets. To this end, they have offered a substantial increase in reciprocal lines of credit from $1 billion to $6 billion. The U.S. Government has kept these lines in effect for many years to promote the good performance of currency markets in each country.

5. The consolidation of the means of production, economic stability, and the promotion of competitiveness and job creation continue to be the main purpose of the sectors that signed this agreement. In light of this, the labor, peasant and business organizations—which represent the overwhelming majority of the country's productive force—and the Federal Government have agreed:

1. To uphold all commitments signed on 3 October 1993 as ratified on 12 January 1994 and ensure full compliance with each and every agreement therein.

2. To express our strongest condemnation of violence and attempts to destabilize the institutions we have managed to build over several generations, thanks to the efforts of all Mexicans.

This agreement is signed at Los Pinos Presidential Residence on 24 March 1994 in the presence of the president of the United States of Mexico. Thank you.

[Valasquez] The labor movement, which the Labor Congress represents, has approved without further discussion the statements made by Arsenio Farell, labor and social welfare secretary. We [words indistinct] needed to ratify this pact because it guarantees us social peace among productive sectors. We also agree with the [word indistinct] condemnation made by the [word indistinct] assassination of Luis Donaldo Colosio Murrieta, our presidential candidate and the presidential candidate of the PRI.

At times like these, it is impossible to say much, but we must condemn this crime and ask the government to work from now on against those who use violence as a method to solve their problems with other sectors. In cases like this, the labor movement wants no more tolerance for these criminals. They must be treated as they deserve to be treated: harshly. We must condemn their actions, and they must be punished as the law stipulates. Thank you.

[Luis German Carcova Garcia, president of the Business Coordinating Council] Mr. President Carlos Salinas de Gortari, Mr. Fidel Valasquez Sanchez, Labor Congress president [as heard]; Deputy Hugo Andres Araujo, secretary general of the National Peasant Confederation; Messrs. Secretaries of State; Ladies and Gentlemen: The national business sector is deeply concerned and firmly condemns the tragic event of 23 March, which ended the life of a brilliant Mexican who was committed to his country. This event also symbolizes an attack against Mexico and its institutions. Violence, in all its forms, is always objectionable and will never be the path to solve problems and to meet the legitimate demands of the Mexican people. The breach of peace and social order, which are necessary conditions for guaranteeing the welfare of our people, is unacceptable under any circumstances.

Throughout the last few years, Mexicans have proven that through dialogue and consensus, we can overcome problems and difficult situations by reconciling different opinions and by always seeking the welfare of the nation as a whole. We have added and multiplied [as heard]. We cannot let events such as this, which has submerged Mexico in mourning, divide and diminish us. We Mexicans are committed to a plan that, with the strong leadership of President Salinas, has helped us overcome the deep macroeconomic imbalances that darkened our future. By overcoming them, we have been placed at the threshold of healthy and sustainable growth that will reverberate in a higher standard of living for all our compatriots.

We must not change the original plan. Our goal is very close. The latest events seem to indicate that there are forces interested in steering away from the course and making us turn back. This goes against all Mexicans. We

will not be defeated. We Mexicans, united within the framework of consensus, will always be able to find answers peacefully and objectively, as we have in the last few years. The path we have traveled is already longer that the one we have yet to climb. We reiterate that together we will be able to move on.

We Mexican businessmen reiterate our commitment to the country, our belief that we chose the right path, and our commitment to work harmoniously with all sectors of society. We express our full support for the government and institutions headed by President Salinas. We emphatically reject the path of violence, the breach of peace, and lawlessness. We demand justice and strict law enforcement. Society demands it. The future of Mexico and of our children lies in the institutions, laws, unity, and intense and productive efforts of all Mexicans. Each of us, especially we businessmen, must be clear about what we are doing for Mexico. We must assume our responsibilities tactfully. Let us behave with perseverance and affection for our country. Let us defend those accomplishments that cost us so much work with the law on our side and with unity, equanimity, determination, energy, and intelligence. Thank you.

[Araujo] Mr. President: The country is going through a difficult time. The unfortunate incidents that occurred yesterday in Tijuana, where our friend and companion Luis Donaldo Colosio Murrieta was slain, attempt to sow discord and disunity among Mexicans. Our response must serve to strengthen the institutions of the country, to unite the productive sectors, as has been manifested here, and to reject provocation and violence. To ratify the pact is also a manifestation of agreement among producers, workers, businessmen, and the government. It clearly establishes before the country that the key sectors of our economy are disposed to persevering in our work to build a strong, growing economy, more equitably distributed and capable of facing the international market.

The diverse interests that are permanently expressed in this body are part of the intense reality that exists in our country. Through a concerted effort, we have shown that it is possible to harmonize different viewpoints so long as the general interest prevails over private interests. We see that calm and reason prevail in the face of difficulties. Let us maintain this trend. Let us strengthen calm and reason to prevent situations that hurt everyone but which have more of an impact on those with lower incomes because of their diminished capacity to fight in the face of crisis and instability.

As producers of the countryside—cattlemen, rural property owners, farm owners—let us assume fully the continuation of the pact, Mr. President. Our expectation is to build a more productive, profitable sector in keeping with national priorities. We flatly reject violence and its consequences of instability. We are not disposed to leaving to the forces of instability the future of our economy and, within it, of the Mexican countryside. In this overall concerted effort formula, the diverse sectors that come together in the course of our activities in the Mexican countryside reiterate our commitment to continue the necessary efforts to strengthen our relations and our productive association and to defend the rural sector in a climate of tolerance and mutual respect.

Mr. President, you have the total support of the country's agricultural and livestock sector, as well as of the rest of the members of this vast table of concerted action, without distinction. Today we understand that strengthening the instruments of economic concerted effort is indispensable, as is closing ranks around you. Your policy of national modernization, your proposal of democratic advancement, and your commitment to the poor people of Mexico demonstrates this. Let no one be deceived. We maintain a great capability to move forward as a nation within a framework of differences but with unity on fundamental aspects. Thank you very much.

[Salinas] Ladies and gentlemen: In view of the unacceptable violent act that led to the sad and outrageous death of Luis Donaldo Colosio, the representatives of laborers, peasants, businessmen, and the government are here today to ratify the main terms of the pact.

This reflects our full commitment to implement its terms on time and shows serenity, a vision of the future, and unity of the nation. This unity is based on giving priority to those things we value most: sovereignty, liberty, democracy, and justice in an atmosphere of legality and harmony.

When developments that are incompatible with our values and goals occur in the nation's life, Mexicans unite, strengthen the ties that bring us closer, and reject with a single voice any attempt to make us lose direction and divert our efforts and any idea that violence can discourage Mexico. Unity is the most powerful of our virtues, and legality represents the full validity of our Constitution, our single guiding principle for social life.

Today, you are ratifying the 3 October commitments to reduce inflation, to improve productivity and salaries, and to clearly speak out against violence in favor of law and national unity. The dedicated work of Mexicans is recognized abroad today. This work has allowed us to face the unexpected circumstances of life at home and abroad. This recognition is reflected in the support mentioned today in the financial area.

Also, and this is important, today Mexico joined one of the world's most important economic organizations, the OECD. Through it, our country will have a much greater presence in industrialized countries, especially in Europe. [applause] [five-second break in reception] that we will defend the efforts made and the opportunities created [three-second break in reception] legality that we will not allow impunity to take away our serenity. We must continue to advance.

Ladies and gentlemen, we will enforce the country's Constitution and law because that is the civil thing to do.

We will comply with peace agreements, because peace and harmony are our strongest convictions. We will honor the pact because it is an instrument of our solidarity to progress with more justice.

We will remain true to ourselves despite the painful circumstances, because that is what is demanded by the justified indignation of Mexicans in the face of insults. Unity, consensus, and unrestricted respect for the law have helped us advance and achieve all our goals. Unity will continue to guarantee us a better future. That is why we must maintain and reaffirm our pride as Mexicans. Thank you very much.

Investigation Launched Into Killing; Findings Announced

Valades Reports Conclusions

PA2503025094 Mexico City Radio ACIR Network in Spanish 0035 GMT 25 Mar 94

[News conference by Diego Valades Rios, attorney general of the Federal District, with unidentified reporters at the Attorney General's Offices in Tijuana on 24 March; from "ACIR Radio News" newscast—recorded]

[Text] [Valades] The Federal District Attorney General's Office announces that according to the investigation conducted so far, the multiple testimonies provided by eyewitnesses, and the evidence obtained, it has been confirmed that Mario Aburto Martinez was the person who killed Luis Donaldo Colosio Murrieta yesterday.

Mario Aburto Martinez fired two shots, one directly at the head and the other at the abdomen. The first shot was fatal. Both bullets exited the body. The shots were fired with a special Brazilian-made .38-caliber Taurus revolver. According to the expert's report, the weapon contained two unspent bullets and two spent caps.

Mario Aburto Martinez was arrested at the scene of the incident and brought to Attorney General's Office [PGR] installations in Tijuana to make his first statements. He admitted being the perpetrator of this crime, which has shaken the Mexican republic. His statements were made before the Federal District Attorney General's Office in the presence of Lawyer Xavier Carbajal, president of the Emilio Orra Baja Bar Association of Tijuana, and before Jose Luis Perez Canchola, human rights ombudsman of Baja California State, in compliance with the provisions of the Republic's Federal Constitution, thereby preserving the rights of the person responsible for this heinous crime.

Aburto Martinez's health condition was also certified upon entering the judicial installations because he had already been beaten by people near him after he carried out the attack. This may be confirmed by the various media that witnessed the incident. The attack was carried out following a political event at the Lomas Taurinas Neighborhood in this border city.

Also turned over to the Attorney General's Office were Vicente Mayoral Valenzuela and Jorge Antonio Sanchez Ortega, who may be released with legal conditions unless new elements arise that change their legal status.

The assassin will be remanded in the next few hours and taken to a maximum-security location. I came to this city on the express orders of President Carlos Salinas and I have directly coordinated the investigation. I was accompanied by Rene Gonzalez de la Vega and Alfonso Cabrera Morales, assistant prosecutors for preliminary investigations, and by other officials and experts dedicated to the investigation and the complete clarification of this regrettable crime.

Also working on the investigations was (Mario Fabio Beltrones), governor of Sonora State, where Colosio was born.

The incidents occurred as follows: At the conclusion of the public rally that was part of his election campaign, Luis Donaldo Colosio Murrieta, candidate for the Institutional Revolutionary Party [PRI], at 1710 stepped off the stage that had been constructed for the event in Lomas Taurinas and mingled with the people in attendance. He subsequently headed for his vehicle. After Colosio walked approximately 10 meters, Mario Aburto Martinez emerged from the crowd on Colosio's right-hand side. Martinez drew a revolver, placed it a few centimeters from Colosio's right temple, and pulled the trigger, causing the injury that took his life. After the bullet entered the right temple and exited through the left side, the victim spun around counterclockwise. As he was falling, the attacker fired his weapon again to produce a second wound in the abdominal region. The bullet entered [words indistinct] and left a wound on its way out near the right hypochondrium.

This account of the events was duly and completely confirmed by eyewitness testimonies, by the results of the autopsy and a forensic histology, and by a ballistic study that established the position of the victim and the attacker and the trajectory of the projectiles.

Mario Aburto Martinez was subdued by people who were around the victim, immediately arrested, and placed at the disposal of the Federal District Attorney General's Office. Based on this, it can undoubtedly be concluded that the two shots were fired by one person from one weapon whose cylinder contained two spent and two unspent cartridges. The former were next to each other.

Aburto Martinez underwent the sodium [word indistinct] test to determine whether he had fired a firearm. This test proved positive. In his initial statement, Aburto Martinez confessed to firing the two shots at Luis Donaldo Colosio Murrieta. He did so, as we said, in the circumstances already described in the presence of two people who represented him, local lawyers, and the president of the Human Rights Commission.

Mario Aburto Martinez, the 23-year-old perpetrator, is from Zamora, Michoacan. He has a primary school education and is an industrial mechanic. He said he has lived in Tijuana since he was 15 and has dedicated himself to working since that time. He confirmed that he was employed by Cameros Magneticos in Mesa de Otai and was domiciled in this city of Baja California. As for the weapon he used, he admitted acquiring it several weeks ago with the intention of using it for the incidents under investigation. He was arrested in the act and confessed to the crime with all the evidence against him. He will be remanded to the competent judicial authorities within the legally established time.

The case is not fully closed. There are still questions which, according to the law, must be taken to their final answers. The country requires it, and the citizens demand it. The instructions I have received from the president are specific in that sense. The contribution and participation of the legal authorities demand all their abilities and professionalism. All of society, for the benefit and tranquillity of all, expects clarity and stability. That is what it will receive as a result of the work of this institution in coordination with the competent governmental authorities of Baja California State.

The Federal District Attorney General's Office has had and will continue to have at all times the support and cooperation of the government authorities of Baja California State, to whom I publicly express my fullest recognition. Various state and municipal officials have actively participated in the clarification of this incident, thus affirming once more their previously demonstrated commitment to the cause of justice.

A distinguished Mexican was deprived of his life. Mexicans, however, will not be deprived of their determination to continue on the path of justice. Society demands justice, and there will be justice.

[Reporter] [Words indistinct]

[Valades] Allow me to speak, if you please. I am a serious government official, and I have given you the information. If you think that the person responsible for the crime and how the crime took place is not information, then I don't know what kind of information you want.

[Reporter] [Words indistinct]

[Valades] I want to add that this is a responsible process of information. The state authorities will not tolerate provocations of any kind. We do not practice an adventurous policy of information, and we will always strive to inform society with responsibility, objectivity, and impartiality. I have fulfilled my duty. I have announced it before you and will continue to do so. Good evening.

Salinas Appoints Special Investigator

PA2503061794 Mexico City XEW Television Network in Spanish 0430 GMT 25 Mar 94

[Statement by President Carlos Salinas de Gortari on 24 March; place not given; from the "24 Hours" newscast—recorded]

[Text] Ladies and Gentlemen: There is a general demand for justice in the face of the criminal act that ended the life of Luis Donaldo Colosio. I am committed to not allowing impunity. Yesterday I sent the Federal District attorney general to the scene of the incidents. He has conducted preliminary investigations and is ready to report the results to the competent authorities. I do not want any doubts, questions, or concerns to remain, so I have given instructions to the Attorney General of the Republic to create a special Deputy Attorney General's Office that will be in charge of thoroughly investigating the causes of this treacherous crime, fully and totally dedicating its time to this task.

In response to a request from Mrs. Diana Laura Riojas de Colosio and based on my own convictions, I have decided to appoint Miguel Montes Garcia for this important task of national interest. He will hold this post if the Permanent Commission of the Congress of the Union authorizes the request for leave he has made to the Supreme Court of Justice.

Miguel Montes is a outstanding jurist who is well known for his straightforward personality, his profound knowledge of the law, and his honesty. In carrying out his duties, Jurist Montes will have the support of the lawyers and expert investigators he may deem necessary to help him in this important mission.

The leadership of the Institutional Revolutionary Party [PRI] and the coordinators of Luis Donaldo Colosio's political campaign have endorsed this proposal. I will place at the disposal of the Deputy Attorney General's Office and Montes all the resources and necessary tools he may need to fulfill his responsibility of promoting justice and facing this inadmissible action for Luis Donaldo Colosio's family, the PRI, and all Mexicans.

The law will be enforced. Justice will be served.

National Mourning Continues 25 Mar; Banks To Open

PA2503045694 Mexico City Canal 13 Television Azteca Network in Spanish 0330 GMT 25 Mar 94

[From the "Events" newscast]

[Text] President Carlos Salinas de Gortari issued an order stating that the national flag will fly at half mast on Friday [25 March] as a sign of national mourning. This means that the national mourning, which had been established for Thursday, will continue tomorrow. The order states that the measure is in keeping with the deep indignation and rejection with which Mexican society

has rejected the assassination of Luis Donaldo Colosio, presidential candidate for the Institutional Revolutionary Party.

The order will be published in DIARIO OFFICIAL on Friday. The decision to prolong the national mourning until tomorrow, however, does not imply the suspension of labor duties.

The Finance and Public Credit Secretariat announced that all financial operations will resume tomorrow. This is important information bearing in mind that the national mourning will continue tomorrow. Financial sector operations will resume tomorrow. Banks and the Mexican Stock Exchange will resume their normal activities, according to the Mexican Bank Association.

Salinas Stands in Honor Guard for Colosio

PA2403192294 Mexico City Radio ACIR Network in Spanish 1609 GMT 24 Mar 94

[Report by Elizabeth Diaz Otero from Los Pinos Presidential Residence; from the "Panorama Newscast"—live]

[Text] President Carlos Salinas de Gortari returned a few minutes ago to the Los Pinos official residence. He was at the Institutional Revolutionary Party [PRI] national headquarters, where he stood in an honor guard before Luis Donaldo Colosio's coffin. As we all know, he accompanied the body from the Mexico City international airport to the party's headquarters. The president was accompanied by his wife, Cecilia Ocheli de Salinas, and he was obviously dismayed. He told us he has lost his great friend and asked us to respect his sorrow. Let us listen to the recording.

[Begin Salinas recording] I have just stood in an honor guard before the body of Luis Donaldo Colosio. I went to the airport to pick up his widow, Diana Laura, and to pick him up. My wife and I accompanied her. Just a few minutes ago, we also accompanied her to her vehicle when she decided to leave.

I want to tell you that Mexico has lost a great man, and I have lost a great friend. I want to ask you to allow us to mourn him, and bid him farewell. Thank you. [end recording]

President Salinas' agenda today is private. Nonetheless, it is expected that at noon he will receive [Canadian] Prime Minister Jean Chretien, with whom he had to interrupt his discussions yesterday when the attack occurred which took the life of Luis Donaldo Colosio.

Roundup of Domestic Reaction to Assassination

PA2403202494

[Editorial Report] The following is a compilation of reactions within Mexico to the assassination of Luis Donaldo Colosio Murrieta, presidential candidate for the Mexican Institutional Revolutionary Party, PRI, which occurred on 23 March in Tijuana, Baja California.

A report by Mabel Montoya indicates that the PRI's future has become uncertain following Colosio's assassination. According to the law, the party's National Executive Committee has the authority to hold another extraordinary convention to select a new candidate. Political analysts are saying it is too early to discuss this issue because the assassination has caused considerable consternation within the Mexican community and people are hesitant to mention possible candidates. The country's eight remaining parties have unanimously condemned the assassination and have suspended their campaigns until the situation normalizes. Meanwhile, Popular Socialist Party candidate Marcela Lombardo has accused the conservatives of promoting incidents like Colosio's assassination to hinder Mexico's "return to the path of the revolution." Mexican business representatives have pointed out that the assassination is the result of efforts to destabilize the country, and warn that it may disrupt Mexico's political life. Political commentators are saying that Colosio's death will have repercussions in every sphere of the country's political and economic life, affecting its stability and credibility. (Madrid EFE in Spanish 1635 GMT 24 Mar 94)

Economic analysts questioned by EFE say that Colosio's assassination does not pose a political or legal threat to NAFTA. They say, however, that it may slow down the flow of foreign investments, which is one of the main requirements of NAFTA. Our sources said the assassination will cause a panic in the stock market, which will stabilize once a new candidate is chosen. They add that if the PRI loses the elections, NAFTA will not be threatened by the opposition parties, which have said they will not annul it but will modify it. However, if instability increases, NAFTA opponents in the United States may request a revision of the agreement or even its annulment. Some experts believe the exchange rate may also decrease due to a lack of investments. (Madrid EFE in Spanish 1922 GMT 24 Mar 94)

Congress Approves Electoral Reform

PA2503043494 Mexico City NOTIMEX in Spanish 0354 GMT 25 Mar 94

[Text] Mexico City, 24 Mar (NOTIMEX)—The Mexican Congress on 24 March approved a constitutional amendment to allow citizen participation in strengthening the autonomy and independence of electoral authorities.

The Senate agreed to modify Article 41 of the Constitution to promote greater independence of electoral bodies and to broaden citizen participation in the electoral process with an eye on federal elections scheduled for next August. The decision closed three days of special sessions called by the Permanent Commission, which is operating during the congressional recess between late December and 15 April, to examine and, as the case may be, approve electoral reforms.

On 23 March the Chamber of Deputies approved a bill to amend the electoral law that calls for a new structure for the electoral bodies and establishes new electoral crimes and stronger punishments for such crimes.

The amendments will go into effect after their publication in DIARIO OFICIAL and will be applied during the 21 August elections in which about 42 million Mexicans will elect a president and federal legislators.

Camacho Solis Denies Plans To Run for Office

PA2403233894 Mexico City Radio ACIR Network in Spanish 2231 GMT 24 Mar 94

[Text] Amid rivers of human beings that inundated Felix Cuevas Avenue and the streets near the funeral home where a wake was held for the remains of Luis Donaldo Colosio Murrieta, Manuel Camacho Solis, peace and reconciliation commissioner for Chiapas, gave his condolences to the relatives of the Institutional Revolutionary Party candidate. He captured the attention of political representatives and the media who were standing outside the funeral home.

Camacho Solis was asked about the incidents of violence in Tijuana, Baja California. He gave a brief message to the public.

[Begin Camacho Solis recording] I wanted to be present here publicly because my position has always been an open one. The things I have always wanted to do have always been open. I deeply regret what has happened. It is something very serious for the country's life. Before the eyes of the nation I want to make the following statement: Two days ago I said I did not seek to be president of the republic. After the incidents that have taken place, after this tremendous attack on the nation, I reiterate what I have already said. I do not aspire to be president of the republic. The fatherland is above everything and above everyone. [end recording]

[Hamburg DPA in Spanish at 2024 GMT on 24 March transmits a 180-word report datelined Mexico City stating that "a crowd of Colosio's supporters today protested the presence of Manuel Camacho Solis, principal rival of the slain candidate for the Mexican ruling party's presidential nomination, when he appeared at the wake in a mortuary in this capital.

"Camacho, who declined to speak to reporters, arrived this morning in Mexico City from Tuxtla Gutierrez, capital of the southern state of Chiapas, where he had been flown in a military helicopter from San Cristobal de las Casas, seat of the peace negotiations with the Zapatist Indian organization."]

Zedillo 'Most Serious Contender' for PRI Candidacy

PA2403231694 Hamburg DPA in Spanish 2131 GMT 24 Mar 94

[By Theo Peters]

[Text] Mexico City, 24 Mar (DPA)— Following the initial reaction of general dismay over the unexpected death of Luis Donaldo Colosio, presidential candidate of the ruling Institutional Revolutionary Party (PRI) of Mexico, intense speculation has emerged in local political circles as to whom will replace the assassinated ruling candidate.

Once the period of national mourning over Colosio's death has passed, the PRI national directorate will hold a meeting in the next few days to nominate a new candidate for the 21 August presidential elections.

According to an unwritten rule in the Mexican political system, the outgoing president, in this case Carlos Salinas de Gortari, has the prerogative of personally choosing or, as it is popularly known, "hand picking" the candidate who will replace him as president.

The names of two PRI politicians were mentioned in the beginning from among the possible candidates. The PRI politicians along with four other contenders lost the nomination to Luis Donaldo Colosio on 28 November: former Mexico City Mayor Manuel Camacho Solis and former Education Secretary Ernesto Zedillo Ponce de Leon.

The other initial contenders, including Finance Minister Pedro Aspe, may not run for office because the Constitution specifies that a candidate cannot occupy a government post in the six months preceding the elections.

Surprisingly, Camacho Solis excluded himself as a possible candidate on Thursday when he emphatically declared that he does not aspire to become president of Mexico after attending the vigil for the assassinated candidate at a mortuary in the Mexican capital.

Camacho Solis, former mayor, foreign minister, and current peace commissioner in Chiapas thus reiterated what he said on Tuesday before Colosio's murder when he publicly denied any aspirations as a presidential candidate, thus ending extensive speculation in that regard.

Nevertheless, Colosio's unexpected death revived rumors of the subsequent appointment of Camacho Solis as the PRI's substitute candidate. His rivalry with the murdered candidate, however, increased the ruling party members' rejection of the peace commissioner following the murder.

Given Camacho Solis' self-exclusion, Ernesto Zedillo Ponce de Leon now appears the most serious contender for the position left open by Colosio. Zedillo was the murdered PRI candidate's campaign manager.

Considered a "dark horse" in the PRI convention in November, the 42-year-old Zedillo is known as a brilliant public official who is extremely competent in economic matters. He holds a doctorate from Yale University in the United States.

Salinas de Gortari appointed Zedillo programing and budget minister on 1 December 1988, a post at which he successfully transformed the budget deficit into a surplus and substantially increased government social expenditures.

After his appointment as education minister in January 1992, Zedillo became the center of a national controversy that forced him to withdraw two new history text books after broad circles rejected the revision of sensitive passages on Mexico's history and present situation.

Although Zedillo has a great deal in his favor to be chosen the new PRI candidate, the scarce popularity of this timid, introverted man seems to work against his aspirations. His very discreet public conduct has contributed to the enigma surrounding his personality.

U.S. Request for Return of Cuba Donation Refused

PA2303202494 Mexico City NOTIMEX in Spanish 1238 GMT 23 Mar 94

[Text] Nuevo Laredo, 22 Mar (NOTIMEX)—Mexican customs today refused a U.S. request for the return of two pickups loaded with humanitarian aid for Cuba that were detained in Nuevo Laredo on the Texas border.

The vehicles belong to the U.S. organization Pastors for Peace, which advocates the lifting of the blockade imposed by the United States on Cuba 33 years ago.

Israel Garza Salinas, a spokesman for customs in Nuevo Laredo, which is located in Mexico's northeastern Tamaulipas State, said the pickups were detained because they lacked and their owners have already initiated the process for their recovery. [sentence as received]

The pickups are loaded with $2,000 worth of books, typewriters, computers, medicine, and a parabolic antenna. They will be shipped to Cuba from the port of Tampico, Tamaulipas.

The cargo is part of the humanitarian aid which, earlier this month, the U.S. authorities prevented the pastors from sending to Mexico for later shipment to Cuba.

Garza said the U.S. authorities allege that the cargo of both vehicles was taken to Mexico secretly in violation of a U.S. law banning the shipment of strategic material to Cuba.

He said the Mexican authorities granted facilities so Pastors for Peace could bring the two pickups into Mexico on condition that they would request permits to do so and would pay a symbolic tariff.

On 9 March the Pastors for Peace caravan crossed into Mexico with 68 vehicles and 140 tons of humanitarian aid for Cuba.

Defense Secretariat Denies Troop Mobilization

PA2403210994 Mexico City Radio ACIR Network in Spanish 0000 GMT 24 Mar 94

[From the "ACIR Radio News" newscast]

[Text] We have just received Bulletin No. 32 from the National Defense Secretariat denying reports that a significant mobilization of troops is taking place in the Chiapas region. The National Defense Secretariat also confirmed its unalterable and absolute determination to honor President Carlos Salinas de Gortari's orders.

The bulletin also says the Mexican Army will not seek to negatively influence the peace and reconciliation process taking place in Chiapas for any reason whatsoever. The bulletin proceeds to explain that the troops movement taking place in Chiapas is mostly intended to relieve the units in Chiapas and at the same time give the soldiers who have been stationed in the region for a long time some rest.

In addition, the bulletin emphasizes that the land mobilizations have mainly been to resupply the troops with food and equipment. This, the bulletin indicates, has nothing to do with the cease-fire or the agreement to discontinue all hostilities during the time the negotiation period agreed on in Altos de Chiapas is in effect.

Army 'Clandestinely' Monitored EZLN Talks

PA2403191394 Monterrey EL NORTE in Spanish 22 Mar 94 p 12A

[Report by Juan Manuel Alvarado]

[Text] San Cristobal de las Casas—Using advanced systems, the Mexican Army's Military Intelligence has been monitoring the talks between the Zapatist National Liberation Army [EZLN] and Peace Commissioner Manuel Camacho Solis since 21 February. Although the monitoring started on 1 January, it was increased on 21 February. The Army has continued to intercept and record EZLN short-wave radio communications in the jungle, the mountains, and the city.

Communications were intercepted and the exact position of the EZLN delegates and Subcommander Marcos at the cathedral during the peace talks were pinpointed with laser sound-wave emission and reception systems, high-sensitivity microphones, and a satellite. Using this same system, Military Intelligence monitored the EZLN delegates' private conversations, their plans, and decisions.

A high-ranking Mexican Army officer, who asked to remain unnamed for security reasons, confirmed these monitoring actions. "Not even Camacho himself is aware that we know everything he said. We know everything. What the Zapatists thought is the only thing we still do not know," he said. The officer said that Military

Intelligence installed a sound-tracking system using high communications technology imported from the United States.

With the aid of a map of the Cathedral of Peace and a laser system, the Army pinpointed the living quarters of the EZLN delegates and Subcommander Marcos, as well as the dining and meeting areas. "Sound waves reached us via a laser that was inside the Cathedral. The laser beam captured sounds, words, phrases, and entire conversations, and relayed them back to us," he said.

During an interview with the officer, he detailed the Military Intelligence's tracking and monitoring systems. The Cathedral of Peace was the monitoring target. That is where negotiations were held beginning on 21 February between Peace Commissioner Camacho, 18 EZLN delegates, Subcommander Marcos, and mediator Bishop Samuel Ruiz.

By tracking the Cathedral by satellite, Military Intelligence located the living areas, the delegates, Subcommander Marcos, as well as the security personnel. The officer added that there are still temporary military "bases" in San Cristobal de las Casas and the 31st Military Zone. He said there are boards with radio communication sets, scanners, and telephones at these bases. Other boards hold laser beam systems, parabolic antennas, monitoring and reading systems, and microphone recording systems called "small birds," which read sounds from inside the Cathedral.

Four Military Intelligence members work 24-hour shifts at each base. They wear earphones and are in constant communications with the main base. The information is gathered with the high-sensitivity systems. The military prepares a daily report on the conversations monitored and sends it to the 7th Military Region in Tuxtla Gutierrez. The same report is sent to National Defense Secretary Antonio Riviera Bazan.

The monitors receive sound waves at the monitoring stations, the location of which the officer failed to mention. "The systems currently in use and during the talks include very sophisticated microphones planted in the outer walls of the Cathedral of Peace. They are very well concealed. They pick up information through the walls," he said. "The only way we could not listen would be if the walls were covered with lead. The laser beam could not penetrate them then and magnetic waves could not pass through."

The Mexican Army's actions are carried out clandestinely. A cease-fire and the suspension of military actions were agreed upon by the EZLN and the commissioner to begin the negotiations.

Espionage Activities

In addition to espionage activities aimed at taping private conversations and negotiations between the delegates and Subcommander Marcos, they also scan EZLN communications in the jungle and mountains and from there to the Zapatist communications center in San Cristobal de las Casas.

Even before 1 January, the EZLN had been using a short-wave radio system of clandestine radio communications. Military Intelligence intercepted these EZLN classified conversations. They currently have a file with cassettes including conversations revealing their codes, locations, and activities. EL NORTE was able to obtain some of the cassettes taped by the military. Officially, these activities "do not take place", just like these cassettes "do not exist." The cassettes procured by EL NORTE were forwarded, along with others, to the 7th Military Region. Each of the cassettes are numbered and carry the date when they were taped. Approximately three cassettes carrying Zapatist conversations are taped daily.

Taped Messages

Some of the taped messages say: "Copy... we must go to the watch tower... pending the saints and check on the men with the large hats" [Copiado ... hay que ir al mirador... pendiente de los santos y checar a los sombrerudos]. Some of the cassettes examined by EL NORTE's correspondent includes several codes indicating the names of bases, leaders, and information exchanges as well as cattle rustling activities and even the 18 February arrangements to transport the Zapatist delegates to the cathedral. Most of the messages are either in tzeltal or tzotzil [Indian dialects], with a few in Spanish.

Some of the conversations taped include events like the CNDH's [National Human Rights Committee] visit to several Zapatist regions, the presence of reporters, and some EZLN activities. There are also talks on changing clandestine communications channels and cattle rustling activities.

These are some EZLN conversations taped by Military Intelligence and transcribed by EL NORTE:
1. "They were beaten up or something like that, over. I am being asked if they can go ahead with the preparation of the record even if it is for its sake, over...
2. Affirmative, but together with the CNDH.
1. Copy...
2. Together with a copy, and send that bastard with the milk because they left and the only thing you know about is the presence of the federales.
1. Send the big ears over there. If possible, try to brand them. At the house of the big hats, there are cots, refrigerators, take all you need since you can use them. I do not know how many can come over here either.
2. I do not know, copy.
1. Come on Thursday. Well, if you can make it on Friday, it is to stay.
2. Buffalo says to go to crab [cangrejo]. They had the contract. We were the only ones to fail, but he knows why. I am going to send someone to represent me. You are going to have a talk with the contractor and he is going to tell you what he needs.

2. Copy.
1. If you know that the number of the base, try to get it out of him.
2. If you are hungry just get a hold of a big ears. There are salt bags there, use them.

Codes—big ears mean cattle, buffalo is the EZLN leader, Zapatist soldiers are known as workers, and maseca which means base—are part of the communications system. According to the taped conversations, the Zapatist bases are identified by names of saints and EZLN operations are coordinated by contractors.

Marcos: We Were Already Aware

At one of the EZLN camps located in the jungle, Subcommander Marcos pointed out that they were already aware of Military Intelligence surveillance. "We knew we were being taped and spied on during the dialogue and that is why we took some precautions. We, as well as the mediator, were aware they were taping our conversations and everything else we said in private with the commissioner," the subcommander said. "We are also aware that intercepting our communications right now is contrary to the cease-fire and contrary to what they say is a search for peace." As a result of the eavesdropping, the subcommander indicated that they began to modify their codes as well as taking other measures.

Army Reportedly Spies on Peace Negotiations

PA2303044994 Mexico City REFORMA in Spanish 22 Mar 94 p 1

[Article by Juan Manuel Alvarado]

[Text] San Cristobal de las Casas—With a high-technology system, alleged members of Mexican Army Military Intelligence have spied since 21 February on the dialogue between the guerrillas and Commissioner Manuel Camacho Solis.

Although their spying activities were initiated on 1 January, they were reinforced as of 1 February. They have been intercepting and copying the EZLN [Zapatist National Liberation Army] messages in the jungle, the mountains, and the city through short wave radio. By using laser systems in the sending and receiving of sound waves, high sensitivity microphones, and satellites they were able to detect the messages and the exact location of the Zapatist delegation and "subcommander Marcos" within the cathedral during the peace dialogue.

With this same system military intelligence reportedly had knowledge of the guerrilla delegates' private conversations, their plans, and agreements. A Mexican Army officer, who requested to remain anonymous for security reasons, confirmed the spy actions. Not even Camacho knows that we know everything he said. We know everything. The only thing we do not know is what the Zapatists were thinking, he said.

He explained that Military Intelligence used communications technology imported from the United States and Asia and installed a sound tracking system. With the help of a Peace Cathedral blueprint, and with the use of a laser, the dormitories of the EZLN delegates of the "subcommander Marcos" as well as the dining and meeting areas were located.

The sound waves reached us through a laser that was sent to the interior of the cathedral. The laser is sent and it returns, picking up sounds, words, sentences, and whole conversations, the officer added.

The espionage's objective was the cathedral where the negotiations between Commissioner Manuel Camacho Solis, the 18 guerrilla delegates, and Bishop Samuel Ruiz were held. The officer explained that on military bases there are desks with communication radios, scanners, and telephones. Parabolic antennas as well as reading monitors, and microphone recording equipment—called "little birds" ["pajaritos"]—that read the sounds inside the cathedral are located on other bases.

Four Military Intelligence members are engaged in 24-hour shifts at each base. They carry earphones and maintain constant communication with the main base. With the highly sensitive systems they collect information. Military personnel write up daily reports on the conversations. These are subsequently sent to the 7th Military Region located in Tuxtla Gutierrez. The same information is sent to National Defense Secretary Antonio Riviello Bazan. In espionage houses, not identified by the officer, monitors receive the sound waves.

"The system used during the dialogue currently includes very sophisticated microphones that are placed in the exterior walls of the Peace Cathedral. These are well hidden and they are able to receive information through the walls," the informer added. Besides the espionage activity, the guerrillas' communications in the jungle and in the mountains are being monitored.

Bishop Says Chiapas Conflict Continues

PA2403071194 Mexico City XEW Television Network in Spanish 0430 GMT 22 Mar 94

[From the "24 Hours" newscast]

[Text] Monsignor Samuel Ruiz, bishop of San Cristobal de las Casas, today attended a social medicine congress in Guadalajara and discussed the situation in Chiapas.

The military conflict in Chiapas has not ended. The fact that a cease-fire was achieved and a first round of talks has started does not mean the Zapatist National Liberation Army [EZLN] will lay down its weapons. They expect the agreements will be signed, it was stated in Guadalajara by Msgr. Ruiz, who added that the war is still on.

[Begin Ruiz recording] Perhaps it is believed the war has ended so it is not visualized. There is a war, there is a

cease-fire, and there was a mutual determination—although not in writing yet—to gather forces where they are right now, without subsequent mobilization. A dialogue has started but no peace accords have been signed yet. However, this has been forgotten in the country. [end recording]

He said the Chiapas conflict is the shortest war in the world and the one which resulted in a dialogue the fastest. Msgr. Samuel Ruiz arrived in Guadalajara for the Sixth Latin American Congress on Social Medicine, during which he questioned the health aid given to socialist countries like Cuba.

Salinas Speaks on Importance of Oil Industry

PA2403152894 Mexico City Canal 13 Television Azteca Network in Spanish 2005 GMT 21 Mar 94

[Speech by President Carlos Salinas at a ceremony to mark the 56th anniversary of the Mexican Government's expropriation of the oil industry; at Pemex, Mexican Petroleum, Headquarters in Mexico City on 18 March—recorded]

[Text] Fellow oilmen, ladies, and gentlemen: The oil industry was expropriated 56 years ago. That was an action of national dignity that brings pride to all the Mexicans. It reminds us of the many efforts men and women have made to strengthen the fatherland and to turn oil into a tool for the development and well-being of all Mexicans. This is why this moment is very significant. It allows us to renew our nationalist convictions and to ratify our commitment to the country.

The nationalization of the oil industry by Lazaro Cardenas del Rio was a sovereign and just measure. The nation could not allow foreigners to ignore the state's supremacy. This is why it was a sovereign move. The state cannot tolerate disregard for the constitutional mandate that gives it exclusive ownership over this resource for the benefit of all Mexicans. This is why it was a just action.

These past few years have been years of changes to strengthen the country in the face of new international challenges and in the face of shortages and setbacks that have mounted through the years.

The national oil industry has been changing also, and it is being strengthened through the sovereignty and justice of the nation. This is happening because in today's highly competitive world only an efficient and modern industry capable of facing the uncertainty of international oil markets can continue to serve as an engine for the economy, a keystone of the government, and a confirmation that state control can serve the nation.

This was a just action. We are moving away from an inefficient and bureaucratic oil industry that benefited a few and that was in hands of a few. Now, this is an industry in which workers and management join together for the benefit of all Mexicans.

This explains the great efforts to enhance productivity and the support given to the states and regions in which the industry operates. This explains the sector's extraordinary contribution to public finances which, in turn, produces more for the needy. This explains the commitment to protect the environment—a commitment that this enterprise has decidedly assumed.

Mexico has been in the position of having to defend its sovereignty on many occasions throughout history. This has allowed us to strengthen our integrity and has turned it into a fundamental element, thereby allowing us to be independent among the nations of the world, to stand firm before the world, and to reject any kind of meddling in our domestic affairs.

In the face of new ways of challenging sovereignty, we reevaluate and renew our nationalist will.

Today's modern exercise of sovereignty demands the defense of territorial integrity. It also demands more contact with other nations to defend our positions and to promote our projects in the face of heightened competition from other nations. This is why it is important to participate in world affairs in an increasingly active way.

This is why we must participate more efficiently in the marketplace to open new opportunities that benefit our homeland and make it stronger to enable it to be heard. This means to present, both within and outside the country, initiatives that can contribute to attaining national goals, thereby creating better opportunities for developing our homeland. This is precisely what happened in 1938, when oil was expropriated. In our time, we are defending sovereignty by working to strengthen and stabilize our economy; advancing in an agreement to improve democracy; and in particular, promoting social and legal justice throughout the territory of the nation.

We are doing this in a number of ways. One of them is by building enterprises such as this one—modern and efficient enterprises that can accept renovations and make deep changes to meet new competitiveness and productivity requirements. We are diversifying production to compete in local and foreign markets with a great many more quality products at lower prices. Let us keep in mind that a decade ago, oil comprised more than two-thirds of Mexico's exports. Today, however, more than 80 percent of our exports are manufactured products. This does not mean that we should stop supporting a product as important as oil, but, rather, we should further stimulate this industry and, at the same time, initiate other productive activities, diversifying them to create more jobs and to ensure higher income for the population. Because we have done this, low global oil prices have not had a greater impact on the country's finances.

Pemex [Mexican Petroleum] has been modernized. Its structures have been transformed to make them more efficient. Pemex has established a more consistent pricing policy, has increased production, and has embraced full respect for the environment. At the same

time, Pemex contributes to regional development by decentralizing its activities toward various areas of the country. Pemex has increased production in all areas by lowering operational costs by 30 percent in five years and by turning out greater quality products, such as unleaded gasoline, which already represents nearly half its sales, and new diesel fuel with a lower sulfur content. Subsidiary organizations work efficiently and resolve the problems they encounter. Marked progress has been made in the debt amortization program, and the investment program, as has been noted, is being financed with its own resources. For the third year in a row, the total production of liquid hydrocarbons was higher than the level reached in 1982.

In this context, I wish to acknowledge the great effort of the oil workers and technicians who work in this enterprise, all of whom have shown willingness to talk and remain united in carrying out the necessary changes that enable Pemex to continue to serve the nation and all Mexicans. The workers' efforts and solidarity have made it possible for us to take additional steps toward new and greater productivity and efficiency. For this, the efficient leadership of Carlos Romero de Champs, secretary general of their union, has been very important. [applause] I also wish to congratulate the Pemex staff, particularly its director general, because they have intelligently faced the need for changes that today already show results in terms of the strengthening of Pemex. For this reason, I hereby give special recognition to the honest, responsible, and efficient labors of Francisco Rojas Gutierrez. [applause]

What we have done at Pemex underscores what a great national enterprise it is, and this shows we want it to continue to be a great national enterprise. The strengthening of Pemex is equivalent to ensuring its continued existence as a Mexican enterprise and as a state enterprise at the people's service. To have not transformed it as we did would have been equivalent to letting it weaken and, consequently, taking the chance of allowing Pemex to become the prey of private interests, whether local or foreign. Quite the contrary, to consolidate its restructuring, to make the enterprise more efficient and productive, to raise its reserves and its level of production, to improve its dealerships and marketing, to protect the environment with cleaner products, and to work united in Pemex and for all Mexicans is equivalent to guaranteeing that this enterprise will continued to exist and, in turn, continue to benefit Mexicans.

The best justification of the 1938 nationalization is to enable Pemex to remain as a state enterprise in the hands of the Mexican people; it is one of the world's strong and great enterprises. Friends, oil belongs to the Mexican people and exists for your benefit. This has been my commitment since I was sworn in as president, and this will be my standard of conduct to the last day of my administration. Throughout the changes experienced by Pemex, even in the free trade agreements we have signed with other countries, oil has always remained as a nonnegotiable property of the nation—a property exclusively managed by the state for the good of all Mexicans. We have made good on our promises. Pemex is an example of a reinforced state enterprise. Oil is a strategic resource for our nation, and it will continue to remain the exclusive property of the Mexican people.

Pemex is now a stronger company that assures its future capacity as a state-run company. I reiterate, sovereignty and justice are invariably intertwined in the nation's collective conscious, and all government efforts have been shaped by this binary relationship that marks our Constitution and fully commits our willingness.

Pemex is now a stronger company and has a greater capacity to meet domestic as well as foreign challenges. Pemex is now a stronger company and more committed to development and to the well- being of all Mexicans. Pemex recommits itself to the future and the benefit of future generations. The government's responsibility to Pemex is fulfilled if it establishes conditions that guarantee Pemex's permanency as a state company.

We have constantly worked to meet this responsibility by way of our actions, and the actions we have undertaken are evidence of this. Currently, Pemex is stronger because it is more productive and efficient. It is guaranteeing the nation's energy supply, strengthening public finances for social expenses, increasing its reserves and investments, and restructuring its activities. Overseas, Pemex's strength is growing, and at no time will we ever agree to any international negotiations that attempt to subject Pemex's decisions to the will of anyone except the will of the Mexican people. [applause]

Yes, we have worked to strengthen Pemex with political actions and decisions. The strengthening of Pemex is the best way to guarantee that it will remain a state company. An unproductive and weak Pemex, or one subjected to foreign decisions, would be the best pretext for anyone who seeks to harm it. This is why we strengthened it. This is why, I reiterate, Pemex will continue under the ownership and control of the Mexican people. On this anniversary of the expropriation of the oil industry, we reaffirm that we will strive to invigorate Pemex, and with this commitment, we reiterate our nationalist vocation and our commitment to a stronger sovereignty. We will continue supporting Pemex with actions; it is an important state enterprise—the pride of all Mexicans. [applause]

Guatemala

Union Members Block Bridge to Mexican Border

PA2403164194 Mexico City NOTIMEX in Spanish 2217 GMT 22 Mar 94

[Text] Guatemala City, 22 Mar (Notimex)—National Police sources disclosed today that approximately 3,000 Guatemalan union members have closed off the highway over the "Melendez" bridge leading to the Mexican border in the western department of San Marcos. Actions initiated about a month ago at the "El Carmen" and "Tecun Uman" border passes are part of a demand for a 40 percent wage increase or the granting of a 300 quetzals (more or less $50) monthly bond.

The takeover caused long car lines, which had to wait for the highway to the Mexican border to be cleared. The National Police (PN) also reported that security at the "La Aurora" airport had been increased given a possible takeover by state workers, who have threatened to take futher steps. Terminal Director Colonel Elfidio Diaz Solis stated that only passengers carrying travel documents as well as passports are being allowed to enter the airport.

Last week, at least 300 public employees blocked all entries and exits to the airport for more than five hours, which caused considerable discomfort to foreign and national tourists. Five weeks ago, almost two months ago, the National Federation of State Workers Unions (FENASTEG) began measures pressuring for a 40 percent wage increase. So far, the government has said it is unable to approve the wage increase because of insufficient funds. Union workers have rejected these claims with their own evaluations indicating that the government does have sufficient financial resources.

Nicaragua

IDB $39.6 Million Loan Signed

PA2403152494 Managua LA PRENSA in Spanish 19 Mar 9a4 pp 1,12

[Article by Fidelina Suarez M.]

[Text] Yesterday, Inter-American Development Bank (IDB) President Enrique Iglesias and President Violeta Chamorro signed a $39.6 million credit for the agriculture sector and small- and medium-scale industry.

Following a tight agenda and after opening the plenary session of the IDB's Eighth Central America, Belize, and Panama Governors Meeting, Iglesias went to the presidential palace where he stated the Nicaraguan economic program must be made flexible to adjust to the nation's needs. Iglesias was referring to the upcoming signing of the so-called ESAF [Enhanced Structural Adjustment Facility] with the IMF. The agriculture sector will receive $16 million to increase the production of basic agricultural products for local consumption and exports. Microindustry businessmen will be granted $23.6 million from the loan. Shortly after signing the loan, Iglesias said: "These credits are part of our conviction that Nicaragua's development is on the right road." He said: "I believe the most difficult part of the adjustment process is behind; it is very important that organizations like ours support the nation's development now."

Iglesias emphasized that our people have gone through many years of adjustments; now the true battle for production and growth starts. He indicated that the IDB believes it is possible to realize a development program in Nicaragua. This financial institution has approved approximately $400 million in credits in the past three years.

Economy Minister Pablo Pereira reported that the program to support small-scale industry is being transformed from a simple ministry program to a mixed institute in which private and public sectors as well as the banks will participate.

Foreign Cooperation Minister Erwin Kruger said this week was outstanding after prestigious personalities in the financial and political sector concluded their visits here. Yesterday, Kruger signed an exchange of notes with Kuniji Suzuki, charge d'affairs of the Japanese Embassy, for an $8.5 million donation to purchase agriculture and industrial supplies.

The IDB president continued his agenda today by holding a work meeting with the Economic Cabinet. He also met with ministers of the social sector: Health, Social Action, and Emergency Social Funds. A group of advisers and Joel Riley, IDB representative in Nicaragua, accompany Iglesias at these meetings. At the meeting with the economic and social team, all matters relating to the loans the IDB approved for the next four years are being discussed. Yesterday, Iglesias met with Legislative Assembly President Luis Humberto Guzman and Sandinist National Liberation Front leaders.

Presence Along Costa Rican Border To Increase

PA2403210894 Panama City ACAN in Spanish 2058 GMT 22 Mar 94

[Text] Managua, 22 Mar (ACAN-EFE)—The Nicaraguan Government has approved a "presence and control" program along the southern border with Costa Rica, which includes the creation of new police, immigration, and customs offices following a series of minor incidents, Nicaraguan Foreign Minister Ernesto Leal said today.

The "vital" measures are aimed at "reaffirming our sovereignty and presence" on the San Juan River, a Nicaraguan waterway that marks the boundary with Costa Rica, the Nicaraguan foreign minister added. "We have had our backs to the river for decades," the Nicaraguan foreign minister said.

In mid-March Costa Rican Foreign Minister Bernd Niehaus questioned the Nicaraguan authorities about the charging of a toll in the village of La Trinidad, where the Sarapiqui River meets the San Juan River.

Leal said the Nicaraguan authorities will continue to charge citizens of third countries, who sail on the San Juan River, five dollars per tourist card as in the case of tourists who are transported on motorboats operated by Costa Rican agencies. Ernesto Leal added that Costa Ricans who identify themselves as such will not be charged for sailing on the river in compliance with the border treaty signed between both countries on 15 April 1858. The treaty gave Nicaragua the exclusive right to exercise full control over the waters of the San Juan River from its head waters at Lake Nicaragua to its mouth on the Atlantic Ocean, Leal said. "This means Nicaragua exercises full sovereignty and jurisdiction over the river from source to mouth, Leal said.

In addition, the border treaty grants Costa Rica the right in perpetuity to free navigation on the river for trade purposes from its mouth on the Atlantic up to a point 3 miles below Castillo Viejo. "Nicaragua respects Costa Rica's rights and will continue to respect them," according to Leal, but he noted that the treaty explicitly excludes tourism and "that is why these types of services (rendered by Costa Rica) are not covered by the treaty."

The minister said that the new police stations will be installed in El Papaturro, El Castillo, El Delta, and Sarapiqui, and that there will also be new immigration offices in the aforementioned locations as well as in San Juan del Norte. The office at the mouth of the Sarapiqui River will be reinforced. The project's initial phase includes a tourist information program throughout the entire San Juan River area in addition to fishing and hunting controls to preserve the region's natural resources along that waterway.

Leal added that a bill is being drafted prohibiting foreigners from purchasing lands in the border regions, which will soon be submitted to the Nicaraguan National Assembly. "We are also going to have a substantial presence in the area with health and education programs at the border," according to Leal, who also said a border landmark plan will be implemented between boundary markers 13 and 14 along the border with Costa Rica.

Argentina

Roundup of Economic Reports

PY2403211294

[Editorial Report] The following is a compilation of reports on economic activities in Argentina monitored through 24 March.

The World Bank has agreed to grant Argentina a $508.5 million loan that will be used to promote market capital. It also approved a $100 million credit for the health sector. (Buenos Aires CLARIN in Spanish 15 Mar 94 p 20)

The National Institute of Statistics and Census reported that the Argentine trade balance registered a $3.6956 billion deficit in 1993 with exports at $13.090 billion and imports at $16.786 billion. It was $1.0588 billion more than in 1992, when the deficit was $2.6368 billion. Argentina's main purchasers are Brazil with $2.790 billion, the United States with $1.273 billion, and the Low Countries with $1.270 billion, which represents 41 percent of 1993's exports. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 2327 GMT 17 Mar 94)

Bolivia

Police Report: Ex-President Involved in Drug Trafficking

PY2403224094 Madrid EFE in Spanish 2007 GMT 24 Mar 94

[Text] La Paz, 24 Mar (EFE)—Former Bolivian President Jaime Paz Zamora and his party, the Movement of the Revolutionary Left (MIR), protected Isaac "Oso" Chavarria, who is considered Bolivia's top drug trafficker, and allowed him to intervene in the government, according to a police report submitted to Congress.

The main MIR leaders today said the Special Antinarcotics Force (FELCN) report is "a conspiracy" to destroy the party and the possibilities of Paz Zamora's presidential candidacy in 1997.

Paz Zamora ended his isolation at his ranch in El Picacho in the city of Tarija, in southern Bolivia, and arrived in La Paz on 24 March to meet MIR leaders.

The FELCN report includes a list of chronologically arranged events from 1978 to 1994 that proves the relations and meetings the MIR leadership held with Chavarria and another group of drug traffickers, in some cases for delivering money, and in others for analyzing "how President Paz Zamora could help them."

Some 10 traffickers agreed to surrender under the so-called "repentance decree," with which the government guaranteed that they would not be extradited to the United States, and are now jailed in Bolivian prisons.

The FELCN report, which the Chamber of Deputies Constitutional Committee has evaluated since 23 March, surprised several circles because of the magnitude of the network that operated within the Patriotic Accord government, which was headed by Paz Zamora.

Isaac "Oso" Chavarria, who was arrested by the FELCN on 25 January, "used the methods of an 'intelligence' agent to foment 'narco-influence' [narcoinfluencia] within the 'leadership' (executive board) of the MIR," the report says, adding that Chavarria used his training as a former Bolivian Army captain.

The report adds that "Chavarria turned the fear of MIR leaders into an instrument for blackmail," forcing them to commit illegal actions to protect him "from FELCN efforts" to capture him.

Paz Zamora's sisters Rosario and Edith, and his private secretary Susana Seleme, along with acting MIR leader Oscar Eid, and Lieutenant Colonel Jorge "Coco" Velasquez—the government house security chief, are mentioned in the report as the "liaisons" between the president and Chavarria.

The FELCN report says Chavarria tried to influence Paz Zamora—through aide-de-camp Velasquez—for the designation of high-ranking officers. The report mentioned the designation of Colonel Faustino Rico Toro as FELCN chief as one of the examples that reflected the alleged trafficker's intention to create a "narcostructure" [narcoestructura].

Rico Toro, who was arrested in Cochabamba on 22 March and arrived on 24 March in La Paz, has been—according to FELCN—Chavarria's partner for 11 years. In 1983 he bought an apartment Rico Toro owned in Biscayne Bay, Florida, southeastern United States, and a house in the La Paz residential neighborhood of Irpavi.

In February 1991, Edith Paz Zamora and Lt. Col. Velasquez "arranged a meeting between Chavarria and the president at Edith's house in Obrajes (a residential La Paz neighborhood) to discuss possible replacements within FELCN, including the designation of Col. Rico Toro as commander," FELCN states in its report, which is attached to five case folders on the event.

The Constitutional Committee has asked FELCN to suspend all actions against MIR leaders until the conclusion of the congressional investigation.

FELCN Presents Trafficking Charges

PY2403132694 La Paz Television Nacional Network in Spanish 1700 GMT 23 Mar 94

[Report by Mario Espinosa]

[Excerpts] The report and conclusions handed down by the Special Antinarcotics Force, FELCN, to the Constitution Commission of the Chamber of Deputies contain very serious charges. Although the report exempts former President Jaime Paz Zamora from any link to

drug trafficking, it clearly indicates that Paz Zamora's closest assistants—including Susana Seleme and Oscar Eid Franco—have been linked to drug trafficking or have concealed this sort of crime. The report, which the FELCN handed to the congressional commission at 2300 last night, also contains a series of other names.

The report clearly establishes that there is evidence that Oscar Eid Franco, current Movement of the Revolutionary Left (MIR) president; former Interior Minister Guillermo Capobianco; Susana Seleme, former government palace private secretary; former Santa Cruz Mayor Rolando Arostegui; Carlos Valverde, former Santa Cruz Department intelligence chief; and other less important MIR leaders have been linked to drug trafficking. [passage omitted]

More than 10 MIR leaders are being charged with involvement in drug trafficking. The FELCN establishes three groups of allegedly guilty people. The first group is charged with links to drug trafficking gang responsible for processing, selling, and trafficking in cocaine. In the second group are included Oscar Eid, Susana Seleme, Carlos Valverde, and other MIR members who are charged with alleged dubious scheming and unlawful association with Chavarria. It is also said that they concealed drug trafficking crimes. The third group includes Guillermo Capobianco and Rolando Arostegui, MIR leaders who have had special privileges. In this regard the Constitution Commission members have stated that although they committed the same crimes as the aforementioned people, the crimes will be studied by a congressional commission.

Jaime Paz Zamora was not mentioned in this report sent to the Constitution Commission. [passage omitted]

The FELCN is also pressing charges against the Colombian Guido Arce; Elmer Saucedo, former national chief of the department of goods seized from drug traffickers; Army Colonel Jorge Velazquez, who was former President Jaime Paz Zamora's aide-de-camp and head of the aides-de-camp; and Fernando Canelas; in addition to Susana Seleme; Oscar Eid; Carlos Valverde; Guillermo Capobianco; and former Mayor Arostegui. All of them are MIR leaders or people closely related to the previous administration. We repeat that these people have all been mentioned in the report handed by the FELCN to the Constitution Commission. [passage omitted]

Brazil

Spokesman Denies State of National Defense Planned

PY2403123894 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Mar 94

[Text] The presidential spokesman has denied that President Itamar Franco intends to declare a state of national defense in the country. He reported that the president met last night with congressional party leaders, but the national defense issue was not even mentioned.

President Franco never considered resorting to the constitutional instrument of declaring a state of national defense to solve the political crisis with Congress and the Federal Supreme Court [STF]. This was stated by Presidential Spokesman Fernando Costa, who added that reports indicating that the state of defense decree is supposedly already lying on the president's desk are false. The situation in the country is entirely normal, he added.

The subject was not even mentioned during the meeting held last night in Planalto Palace between President Franco and 13 party leaders.

The party leaders guaranteed President Franco that they would not attend the congressional session today to approve Provisional Measure No. 434 on the conversion of salaries into Real Value Units [URV's].

Last night President Franco ordered Fernando Costa to inform the media that the government makes no agreements with the STF, that the president of the Republic will not disrespect the law and the Constitution, and that the day for converting public employees' salaries into URV's is the 30th of each month, and not 20th as the STF wants.

Congress To Allow Salary Conversion Measure 'Reedit'

PY2403134194 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Mar 94

[Text] The leaders of the PSDB [Brazilian Social Democracy Party], PMDB [Brazilian Democratic Movement Party], PFL [Liberal Front Party], PL [Liberal Party], PP [Popular Party], and PPB [Brazilian People's Party] promised President Itamar Franco that they would not attend the congressional session today to vote on the provisional measure that converts salaries into URV's [Real Value Units].

According to Senator Jose Richa, the idea is to wait and allow the government to reedit on 29 March the provisional measure with changes clarifying the date for salary conversions into URV. This will thus put a final end to the political crisis among the executive, legislative, and judicial branches.

Voting Postponed on Changes

PY2503000194 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 24 Mar 94

[Report by Beth Veloso from Congress]

[Text] The government has been granted more time to negotiate changes made by Congress on the provisional measure that creates the Real Value Unit, URV.

Congress postponed voting on the bill for changes in the provisional measure that created the URV. The parties that support the government did not want to vote on the issue and create obstacles by extending their debates. Government leader in the Senate Pedro Simon said the modifications suggested to the provisional measure would ruin the government's stabilization plan by increasing salaries and granting a minimum wage increase. He asked Congress not to make the mistake of voting emotionally. Deputy Tarcisio Delgado, leader of the Brazilian Democratic Movement Party, PMDB, opposed the point of view of Deputy Gonzaga Mota, who is also a PMDB member, and said the measures contemplated in the plan are unrealistic lies.

At 1400, Senate President Humberto Lucena closed the session to begin the Constituent Congress debates. Workers Party, PT, Deputy Chico Vigilante would not agree to the decision and called Lucena a hanger-on. Lucena now will sue Vigilante for lack of decorum.

Another congressman who also can be punished is Deputy Jose Chicote, also a PT member, who hit Deputy Luiz Carlos Hauly because he was trying to postpone voting on the bill.

Civilian Household Head Henrique Hargreaves came to Congress and said that by postponing the vote, the government and members of Congress will have more time to discuss the loss of salaries' purchasing power and the amount of the minimum wage.

Deputies Decision To Hike Salaries Condemned

PY2203143994 Rio de Janeiro O GLOBO in Portuguese 19 Mar 94 p 6

[Editorial: "Another Effort"]

[Text] The people were doubly insulted by the deputies's inopportune decision to hike their own salaries and by the fact that the legislative and judicial branches have found a way to make money when converting their salaries into URV's [Real Value Unit].

They now find that, under the same impetus, Congress has rejected the salary equity draft bill for public servants by rejecting the president of the Republic's veto on the article that provides for exorbitant salaries for public servants.

Federal Administration Minister Romildo Canhim has many reasons to be disgusted about this: it has now become almost impossible to administer public servants without stirring up a storm among them. The problem now is not only that salaries are not equitable but that the "maharajas" [public servants who enjoy privileges] have become an institution.

This disappointment also affects the common Brazilian citizen who cannot understand such a lack of sensibility regarding common wellbeing.

The foundation of a state of law is ethical, not juridical, nor formal—because it is based on the principle that we are all equal before the law—but the developments of this past week seem to suggest the opposite: The law is more generous to those who draft it.

This frightening and contradictory peculiarity also appears to be preventing the continuation of the constitutional reform, which thus hinders the approval of lasting solutions to the serious problems affecting the country.

For instance, when Congress debates whether or not to maintain the compulsory vote, one can only see the intention not to change, by any means, the legislators' life—because the compulsory vote is an important component in the mechanisms that move the old electoral windmills: which are fueled by money and inertia.

Group interests is an evil that can surface in any society: consolidated interests exist everywhere and they are always looking for ways to perpetuate themselves.

But the problem becomes tragic when, in a country like Brazil, group interests become established precisely on the road of basic changes for the entire society, especially affecting the most needy, the most hard up sectors due to retrograde structures.

In view of the discouragement created by recent voting sessions, those who favored postponing the constitutional reform will side with those who are against it—this latter group includes those who uphold their own interests and those who uphold ideologies.

To postpone the reform would be illogical as well as a defeat in the legislative field because the creation of the Social Emergency Fund was only juridically possible because a date for concluding the congressional reform had been set. Time is running out and it is hoped that responsible sectors of Congress will make a collective effort for the sake of the most elementary sense of duty to use the time left well.

The worst that can happen is that this effort will only serve to show the electors who is worthy of their vote.

Franco Sends Condolences to Mexican Counterpart

PY2403235294 Madrid EFE in Spanish 2205 GMT 24 Mar 94

[Text] Brasilia, 24 Mar (EFE)—Official sources reported that Brazilian President Itamar Franco today expressed his condolences to his Mexican counterpart, Carlos Salinas de Gortari, for the death of Mexican presidential candidate Luis Donaldo Colosio.

In a fax addressed to Salinas de Gortari, Franco repudiated "the absurd and shocking violence" that cost Colosio's life while he was presiding over a meeting of his campaign for Mexico's presidency for the ruling Institutional Revolutionary Party.

The Brazilian president hoped Mexico can continue its effort to consolidate its economic and social development with the support of the democratic institutions.

Editorial Assesses Gore Visit, U.S. Policy

PY2403013194 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Mar 94 p A3

[From the "Notes and Information" page: "A Five-Hour Visit"]

[Text] U.S. Vice President Al Gore's clout among the constellation of American politicians is by no means unknown to the Brazilian Government. Precisely for this reason—even though we performed all the protocol formalities—one cannot fail to note that his stay in Brasilia was not consistent with Brazil's importance in the hemisphere. The five hours that Gore allocated to the last leg of his tour were enough to meet the ends established for his trip, namely, to sign a new science and technology cooperation treaty, to hold talks with President Itamar Franco on the summit of the Americas (to be held in December), and to say some things to the U.S. and Brazilian communities. It was a working stopover, and as such, served its purpose. From the wider viewpoint under which relations between Brazil and the United States should be analyzed, this five-hour stopover was enough to clearly spell out the place Brazil occupies on the Clinton Administration's list of political priorities: For the White House, Argentina and Chile take precedence over Brazil.

The brevity of his stay prevented Gore from explaining to President Franco the objectives of President Clinton's Latin American policy. Undoubtedly, the hemispheric summit—at which the heads of state and government of the Americas will discuss common economic and political problems—is one of these objectives, and it was discussed with the Brazilian head of state.

The Clinton administration bases its Latin American policy on what is known at the U.S. Department of State as substantive symmetry [preceding words in English]. This expression—with a geometrical flavor—means, for example, that the United States is seeking to recover a sense of belonging to society and the community while Latin America is pursuing reconciliation between democracy and politics; that the United States is reforming its health care, education, and security systems while Latin America is beginning to turn to the "social agenda." It is from this substantive symmetry that the United States is trying to establish a new relationship with Latin America. One should not forget that this new approach includes problems that have yet to be overcome, such as the fight against drug trafficking—which Washington deems a matter of national security—and the new role of the Armed Forces.

Al Gore pays more attention to environmental and technological questions. Even though he did not directly raise the issue of telecommunications, he must have surely left a message—at a time when the leading U.S. companies are devising schemes for a worldwide telephone network, it is unthinkable that Brazil should continue to maintain a whimsical monopoly; but this fact merely prevents Brazil from really entering the high-speed high-tech era.

PMDB, PDT To Form Broad Front for Elections

PY2203141994 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 22 Mar 94

[Text] The PDT [Democratic Labor Party] and the PMDB [Brazilian Democratic Movement Party] are negotiating a broad front for the upcoming presidential elections. PDT Deputy Vivaldo Barbosa said the two parties are concerned about the polarization of the candidacies of Luis Inacio Lula da Silva from the PT [Workers Party] and Fernando Henrique Cardoso from the PSDB [Brazilian Social Democracy Party]. Barbosa said the PDT and the PMDB want to present a new alternative through a center-left candidate.

One month ago, Rio de Janeiro Governor Leonel Brizola, from the PDT, promised PMDB President Luiz Henrique that he will not oppose the creation of a progressive broad front.

Sao Paulo Governor Luiz Antonio Fleury Filho said that after consulting the grassroots, the general wish is to support the candidacy of Orestes Quercia as the presidential candidate. Fleury revealed that he will campaign for Quercia in all states.

The official announcement will be made on 24 March at the Sao Paulo Government House during a ceremony in which Quercia and other Sao Paulo State mayors will be present.

Chile

President Sends Condolences on Colosio's Murder

PY2503005294 Santiago Radio Cooperativa Network in Spanish 2300 GMT 24 Mar 94

[Relay from Mexico by correspondent Hugo Guzman]

[Excerpt] [passage omitted] The condolence message sent by President Eduardo Frei Ruiz-Tagle to his Mexican counterpart, Carlos Salinas de Gortari, already has been received. Frei strongly condemned the brutal murder of Independent Revolutionary Party presidential hopeful Luis Donaldo Colosio.

Chilean Foreign Minister Carlos Figueroa also conveyed his condolence and solidarity to his Mexican counterpart, Manuel Tello. Chilean Ambassador to Mexico Hugo Miranda this morning attended Colosio's wake and expressed his sorrow and condemned the attack. [passage omitted]

Foreign Minister Views International Trade

PY2503011594 Santiago ESTRATEGIA in Spanish 15 Mar 94 p 20

[Text] In a speech with which he closed the World Entrepreneurs' Meeting at the Carrera hotel, Chilean Foreign Minister Carlos Figueroa said Chile must preserve the universal direction of the development of its exports. He said that "we are not for the division of the world into huge commercial blocs," and that, consequently, this trend should not be fomented.

According to Figueroa, experience shows that markets are subject to "up and down cycles," and that no clear, marked trend has emerged in either direction so far.

In this regard, he recalled that the universalist strategy defined for the development of the export sector, in addition to being more efficient from an economic point of view, has the advantage of reducing the country's economic vulnerability. In this regard, he noted that the fight against protectionism is one of the axes of Chilean foreign policy.

Figueroa said the emphasis on unilateral economic liberalization "made us more competitive and played a decisive role in our joining the international community." He said, however, this policy does not exclude supplementary efforts to open new markets.

Diplomacy for Development

In another speech he delivered on 14 March, Figueroa outlined his portfolio's role in this phase. He emphasized that Chilean foreign policy should attach priority "to diplomacy for development." The foreign minister said this policy provides for external action, which is not undertaken because of "mere goodwill" but "as a function of Chilean interest."

He added that foreign policy must accompany the country's development process, emphasizing that the internationalization of the economy calls for the Foreign Ministry's support in coordination with the other ministries. "It would be absurd and even self-defeating if we demand a monopoly of the country's external action."

Agreements

In another speech during the entrepreneurs' meeting, Figueroa reiterated that Chile's unilateral strategy should be supplemented with "progress in multilateral and bilateral negotiations." He said that even though the Uruguay GATT talks has been a significant step forward, "we are not fully satisfied with its results."

In this regard, he emphasized that the policy of "multiple insertion" that the Foreign Ministry is proposing will have a priority area in Latin America and will seek to develop close ties with Mercosur [Common Market of the South] and "take advantage of the potential of existing agreements."

Figueroa added that for the same reason, they "enthusiastically welcome" the U.S. Administration's interest in negotiating a free trade agreement.

He also emphasized that Chile became an APEC (Economic Cooperation in Pacific Asia) member this year, highlighting that it is one of the most innovative aspects of Chilean foreign policy. He also mentioned Chile's interest in strengthening its relations with the European Union.

Finally, he underlined the role that Chile can play as a supplier of services and as the entryway to Latin American markets, based on "the network of our relations with our neighbors and our free trade agreements," also highlighting the role as a port of access to the Pacific Ocean that Chile can play with respect to other Latin American economies.

Economy Minister, Argentine Envoy Discuss Fruit Exports

PY2403155394 Santiago Radio Cooperativa Network in Spanish 2300 GMT 23 Mar 94

[Text] Commenting on the problems of Chilean fruit exports to Argentina, Argentine Ambassador to Chile Eduardo Iglesias said that the difficulties do not seem to be very serious, as had been reported over the past 48 hours. Iglesias met with Economy Minister Alvaro Garcia to discuss the matter.

[Begin Iglesias recording] An established mechanism was implemented, but it seems that the delay caused some problems, as the fruit could have spoiled. But there were no serious problems at all, nor any violations of the mechanisms of the economic supplementation agreement. [end recording]

Iglesias could not determine the specific problem, as there was no technical explanation.

He was told that labels written in English had been the origin of the problem, and that Argentine officials rejected them as they must all be written in Spanish.

[Begin Iglesias recording] Yes, this issue was discussed. The economic supplementation agreement provides norms for quality, quantity, and containers. But the quality of the fruit was not mentioned at all. [end recording]

When asked if he could assure that this problem would not jeopardize the economic supplementation agreement, he said:

[Begin Iglesias recording] On the contrary, it is working better than ever, and there is no major problem that could prevent it from being implemented. I think this mechanism shows that problems are solved within 48 hours, as has happened with other cases. Argentina is also concerned about the possible dumping of flour, a situation that is regarded as incorrect. It seems that some sectors are claiming that Argentina is distorting the

economic supplementation agreement mechanism. I have asked Buenos Aires for more information. I do not think this position is correct. [end recording]

Iglesias concluded by saying that this case of trucks loaded with fruit had been resolved, but that they would be on constant alert about the situation.

Chilean Economy Minister Alvaro Garcia, in turn, told the Argentine ambassador that the problems that fruit exporters were experiencing in Argentina could lead to possible actions that could hamper bilateral commercial development.

Garcia met with Iglesias, with whom he discussed other major issues.

[Begin Garcia recording] We also analyzed the need to review the economic supplementation agreement agreed upon by Chile and Argentina taking into account the Common Market of the South, Mercosur, agreements. This year all Mercosur member countries will have to maintain equal treatment of third countries, and this obviously could lead to changes in the bilateral agreements with Argentina. We have already agreed to begin talks so as to avoid surprises that the changes in reciprocities demanded by Mercosur could imply for our bilateral agreement. [end recording]

As for the specific problems, Garcia said that Iglesias suggested that the quality standards required of Chilean exporters do not imply any discrimination, as these must also be observed by local producers and other foreign partners. Concerning the trucks loaded with fruit, Garcia told Iglesias that the problem was caused by the shortage of employees in Chilean customs, which compelled exporters to take their products to other zones. This entailed a delay of three days, which for economic reasons they could not tolerate. Garcia noted the need to prevent mutually harmful actions.

[Begin Garcia recording] This hampers the full development of the trade agreement. Iglesias completely agreed that we had to avoid at any cost this type of situation, and act in keeping with our common decision. [end recording]

Garcia concluded by saying that Iglesias was not fully aware of the incident, and promised to soon try to determine the causes.

Roundup of Economic Reports

PY2403211694

[Editorial Report] The following is a compilation of reports on economic activities in Chile monitored through 24 March.

The Swedish Government on 10 March donated $5 million to Bolivia. This money will be used to pay a debt to the World Bank. The agreement was signed by Bolivian Foreign Minister Antonio Aranibar and Swedish Ambassador to Bolivia Lars Schonander at the Foreign Ministry. (La Paz PRESENCIA in Spanish 11 Mar 94 p 1)

The World Bank will grant $94 million to Bolivia in June. Of this, $50 million will be designed for the general budget and to help the government face transition costs. The remainder will be earmarked for the hydrocarbons industry, the Bolivian Government Oil Deposits privatization project, and for technical assistance to the National Electricity Enterprise. (Santa Cruz EL MUNDO in Spanish 11 Mar 94 National Page p 1)

Pension fund administration boards' profits were $2.4616 billion in 1993, a drop of 46 percent compared with 1992. Last year, six of the 13 boards had losses, compared with two in 1992. Santiago Inc. registered the highest deficit with $218.6 million. (Santiago ESTRATEGIA in Spanish 10 Mar 94 p 16)

The Central Bank of Chile termed 1993's economic results satisfactory. Economic growth was 6 percent last year. Construction, commerce, and transportation were the most dynamic sectors. Investment hit a record 27 percent. Production in 1993 totaled $43.6 billion. (Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 24 Mar 94)

Colombia

Fedesarrollo Warns of Money Laundering

PA2403213394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 23 Mar 94

[From the "National Newscast"]

[Text] Fedesarrollo [Foundation for Higher Education and Development] has sounded the alarm: Drug trafficking money is flooding Colombia. Money laundering is at the wholesale level here. The measures adopted to control money laundering equally affect legitimate businessmen.

[Begin recording] [Unidentified reporter] About $4 billion from drug trafficking reportedly arrives in the country each year. The most common method to introduce money is through construction, cars, and many consumption goods like food and presents.

[Fedesarrollo President Eduardo Lora] Almost every product can be imported by purchasing it abroad using foreign currency that was bought at very low exchange rates and used as money laundering mechanisms.

[Reporter] The National Superintendency of Banks and the National Customs and Tax Directorate are currently investigating some 5,300 violations of foreign exchange guidelines that businessmen, importers, and even banks have concocted. At least 90 percent of them are supposedly involved in money laundering.

[Bank Superintendent Jose Elias Melo] Financial institutions are frequently involved in money laundering operations because they handle money.

[Lora] The attraction stems from the slowness of the devaluation process, which makes stashing money in Colombia more profitable than stashing it abroad.

[Reporter] Colombia lacks legislation to control money laundering. Meanwhile, measures to restrain lawful money, such as credit restrictions, affect drug traffickers and legitimate businessmen equally. [end recording]

Ecopetrol Wants Cuban Letter of Credit for Oil Sale

PA2403212594 Madrid EFE in Spanish 1602 GMT 22 Mar 94

[Text] Santa Fe de Bogota, 22 Mar (EFE)—Today, Juan Maria Rendon, general manager of Colombian Petroleum Enterprise (Ecopetrol), said Colombia will not sell crude oil to Cuba unless the island pays with letters of credit as is customary in international negotiations of this type. The official said Ecopetrol "asks everyone who is interested in buying oil to guarantee their purchase with a letter of credit. We do that with all our customers." That "is what we have asked Cuba to do, and it has proposed an alternate payment method that is still unsatisfactory. Therefore, as long as they do not offer a letter of credit, there will be no deal," Rendon emphasized.

Colombian Energy and Mines Minister Guido Nule Amin announced in early February the sale of approximately 20,000 barrels of crude oil per day starting in June or July. According to the Colombian minister, the sale would provide one-third of the island's crude oil needs.

The general manager of Ecopetrol also explained that Cuba "is offering its main export product, sugar, as its guarantee through a three-party transaction with the company that buys from them. It offers to pay for the Colombian oil once it has sold the sugar." Obviously, Rendon emphasized, "what we want is a letter of credit and as of this moment we have not reached an agreement."

The announcement about the sale of crude oil to Fidel Castro's island caused Cuban exiles to protest in front of the Colombian consulate in Miami as well as announcing that Colombian products would be subject to sabotage and boycott. Moreover, the Ecopetrol manager ruled out the possibility that Colombia would refine crude oil in Cuba because, he said, the refineries on the island are too old.

Presidential Candidates Back Prosecutor General Post

PA2303201394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 23 Mar 94

[From "The National Newscast"]

[Text] Prosecutor General Gustavo de Greiff Restrepo has made his mark on his post. In spite of the fact he has turned out to be quite controversial, the presidential candidates do not dare touch that office.

[Begin recording] [Liberal Party Candidate Ernesto Samper Pizano] I would reform the administrative aspect, but under no circumstances would I lessen the authority of the prosecutor as the top official for investigating crimes.

[Conservative Party Candidate Andres Pastrana] The important thing is to give the Prosecutor General's Office resources so we can have true justice in Colombia. I would not modify it. If we have not been able to completely organize that office, the important thing is to provide it with the resources so we can have an real Prosecutor General's Office. We must not try to modify something that has not yet been implemented.

[General Miguel Maza, National Civic Consensus] The Prosecutor General's Office needs regulations. Why not increase its coverage? It has become deadlocked in the narcotics problem and in the voluntary surrender policy.

[Antonio Navarro Wolff, 19 April Movement Democratic Alliance] The prosecutor general deserves the powers he has. He is using them, albeit controversially. Nevertheless, he is undoubtedly making use of his powers, and that is good. He is a person who firmly believes in his convictions. [end recording]

ΩCOLOMBIA: Campaign Activities

EL TIEMPO 19 Feb, etc.

[Editorial Report]

Samper Campaigns in Santander Department

Campaigning in Santander—among the departments most affected by guerrilla violence, and where the candidate traveled accompanied by a doctor and an ambulance—Liberal Party Presidential hopeful Ernesto Samper focused on public order problems and social policy.

Speaking in San Vicente de Chucuri, Samper said he responded to his advisers' suggestion that he not visit this conflictive municipality by saying he would "prefer to renounce his candidacy" rather than refrain from visiting a particular area. Samper said "not one inch of ground" will be relinquished to those who perpetrate violence, according to EL TIEMPO.

During a campaign stop in Bucaramanga, the capital of Santander, Samper discussed his social policy emphasizing that "without jobs, there can be no peace." According to EL TIEMPO, the candidate's social program will focus on jobs, housing, and the problems facing Colombian women.

Samper described this policy as the second phase of the "apertura" [economic liberalization] program, saying

that up to now the model has been "incomplete" because "the focus has been on economic reform, and people have been forgotten." Samper said:

"During the past five years an additional 2.5 million poor have appeared in Colombia. For this reason I've said it's now time to give 'apertura' a heart because there is a direct relationship between social conditions and the prevailing violence," according to EL TIEMPO.

Samper repeated his promise to generate 1.5 million jobs and said he would accomplish this by promoting recovery of the agricultural sector, stimulating exports, restructuring industry, assisting very small business, making housing available, and implementing social programs. He also emphasized that women would receive more recognition in a future Samper administration. He reportedly said that, if he is elected, women would be better represented at the decision-making level of government, more attention would be given to the needs of poor women, and that mechanisms would be introduced to help working mothers. (Santa Fe de Bogota EL TIEMPO 19 Feb 94 p 8A; 20 Feb p 7A)

Samper Visits Choco Department

During a 24 February visit to Choco Department Ernesto Samper called for greater efforts to fight corruption and said he will do what is necessary to keep officials from "continuing to rob the department," according to a report in EL TIEMPO. He invited all members of Congress to join him in promising "to be vigilant in the proper management of public funds." Samper promised to "protect and promote respect for the rights" of the country's 8 million blacks. Noting that the department is rich in terms of natural resources and biodiversity, Samper said he would like to see a center for the study of biodiversity established there. (Santa Fe de Bogota EL TIEMPO 26 Feb 94 p 3A)

Samper on Whirlwind Tour of 13 Cities

In what was reportedly his most intensive campaign tour since launching his candidacy, Ernesto Samper visited 13 cities throughout the country just prior to the 13 March Liberal Party primary.

In Bogota, Samper addressed businessmen at a forum organized by his campaign and offered a three-pronged approach to developing the telecommunications sector. His program consists in supporting incipient regional enterprises, increasing cooperation between public and private sectors, and developing human resources. Samper said national and international telephone communications systems must be modernized, and declared that he favors restructuring the National Telecommunications Enterprise (Telecom) and giving it greater autonomy.

Samper stated that he would promote development of the nascent software industry through the creation of free-trade zones for technology and by making credit more accessible.

During a later address to members of several business associations in Cali, the candidate reportedly warned that, if the current exchange rate policy continues, in five years the only thing the country will be able to export will be petroleum. Samper predicted that his administration would be able to generate 350,000 jobs in small and medium enterprises and said he will make it easier for small business to obtain credit.

In addition to Bogota and Cali, Samper visited Medellin, Cucuta, Barranquilla, Pereira, Valledupur, and several smaller cities. (Santa Fe de Bogota EL TIEMPO 2 Mar 94 6A; 3 Mar p 3A)

Liberal Party Agricultural Commission Makes Recommendations

The Liberal Party National Directorate's commission on agricultural matters has recommended to Liberal Party President, Julio Cesar Turbay, that the party develop a rigorous agricultural policy to promote the recovery of this sector. The recommendations, contained in a report presented to Turbay, reportedly stated that adjustments in macroeconomic policy and the "apertura" program must be made. According to the report, the exchange rate policy, which was initially aimed at fighting inflation, has had a negative impact on the agricultural sector by favoring imports over domestic products. The report recommended incentives and subsidies for certain producers selected on the "basis of efficiency and social equality." It further recommended providing facilities to provide cold storage during shipping from collection points to domestic and foreign ports. The commission report also stated that fixing tariffs on agricultural imports is in line with the constitutional mandate to provide adequate protection to domestic food production. (Santa Fe de Bogota EL TIEMPO 7 Mar 94 p 11A)

Pastrana Campaigns in Several Departments

Conservative Party Presidential candidate Andres Pastrana said during a tour of at least eight municipalities in Cauca Department that, if elected, he would spend $2.55 billion on highway projects, including construction of 5,000 km of new roads, repairs on 9,000 km of existing roads, and maintenance of 70,000 km of roads throughout the country. Among the projects directly benefiting the people of Cauca would be the construction of a highway from Popayan to the sea which would facilitate export of the department's agricultural produce within the framework of the "apertura" program. Pastrana also said preliminary studies on the feasibility of building a hydroelectric plant in Micay looked favorable.

The candidate also pledged that a future Pastrana administration would promote the interests of children, women, and the family. He said he would decentralize the Family Welfare Institute so that it could obtain the necessary resources. Pastrana also said he would promote public housing and expand food programs aimed at children in the poorest regions of the country. He also promised to promote equal rights for women, saying that while the situation has improved, there is still "much

discrimination." Pastrana was scheduled to visit Valle and Huila Departments after completing his tour of Cauca.

During later campaign stops in Cesar and La Guajira Departments, Pastrana said he is willing to conduct a dialogue with the guerrillas when they show a real desire for peace, but until then, the Armed Forces and the police must be strengthened so they can protect Colombians as the Constitution requires. Touching on the controversy surrounding accusations by Prosecutor General Gustavo de Greiff that Colombian bishops have had unauthorized contacts with the country's insurgents, Pastrana noted that the bishops are protected by an internationally recognized agreement which includes restrictions on investigating and prosecuting members of the church hierarchy.

Pastrana said he favors constructing irrigation systems to restore productivity to 25,000 hectares of land in several La Guajira municipalities. (Santa Fe de Bogota EL TIEMPO 24 Feb 94 p 6A; 25 Feb 8A; 7 Mar 11A)

Pastrana Attends Anticorruption Conference in Ecuador

Andres Pastrana traveled to Quito on 2 March to attend a meeting of Transparency International, an organization dedicated to fighting corruption. In his address, Pastrana reportedly asked all Latin American countries and the entire international community to take up the fight against corruption "immediately and with all possible force." Pastrana reportedly said this was the only way to prevent the destruction of the democratic system. (Santa Fe de Bogota EL ESPECTADOR 2 Mar 94 p 6A; 3 Mar p 5A)

Ecuador

Ayala Lasso Appointed UN Human Rights Commissioner

PA2403233994 Quito Voz de los Andes in Spanish 2300 GMT 22 Mar 94

[Report by Laura Yakovsky; from "The Voz Andes Newscast"]

[Excerpts] For years the position had been talked about. Many Latin American countries promoted its creation, and, at last, during the International Conference on Human Rights held in Vienna the necessary conditions were present. However, the creation of the position of human rights high commissioner was delayed a few more months. The Vienna Declaration entrusted this task to the General Assembly. Some countries had misgivings, but then something crucial happened. A work group was created to dispel these misgivings, and its presidency was bestowed on Ecuadoran Ambassador Jose Ayala Lasso. Thanks to the diplomatic endeavors of the Ecuadoran representative an agreement was quickly reached by all governments. On 20 December 1993 the General Assembly created the position of high commissioner for human rights. On 14 February 1994 Ambassador Ayala Lasso's efforts were rewarded with his appointment to the position. [passage omitted]

Ayala is described by Emilio Cardenas, Argentine ambassador to the United Nations, who has no doubts that the Ecuadoran diplomat is the ideal person for the position.

[Begin Cardenas recording] There are issues that develop on the international scene that are complex. At the same time their histories are not always well known or taken into account. In my opinion, these attributes of Ayala Lasso represent to all of us not only a source of pride, but also the hope that a person with his qualities will be the man who, for the first time, will adequately perform in the position of human rights high commissioner. [end recording]

The human rights high commissioner must be well versed on the topic and must have an impeccable reputation and a deep understanding of different cultures in order to perform his duties impartially, objectively, and efficiently. The resolution creating the high commissioner's position establishes that the high commissioner must have knowledge of all human rights issues in the civilian, political, cultural, and economic spheres. He also must respect each states' sovereignty, keeping cultural differences in mind, and must abide by the principle that human rights are universal and that all governments must help guarantee them.

[Begin Ayala recording] This is a very important decision taken by the United Nations, and it fulfills almost 50 years of aspirations. In my opinion, it fundamentally consists of creating a kind of spokesman for humanity's conscience, whose objective will be to contribute, through dialogue and concerted action, to the progress of human rights worldwide. [end recording] [passage omitted]

Ambassador Ayala Lasso has been Ecuador's UN representative since 1989. Formerly, he was ambassador to Peru, Belgium, Luxembourg, and the EEC, as well as the Ecuadoran foreign minister in 1977. He was also an international law professor at the Central University of Ecuador and has published articles on international issues in various newspapers. Ayala Lasso is a lawyer and economist and has several university degrees. [passage omitted]

Central Bank Reports Leading Exports Drop

PA2203185294

[Editorial Report] Quito Voz de los Andes in Spanish at 2300 GMT on 15 March reports that according to the Ecuadoran Central Bank, the country's leading exports registered a 3.4-percent drop at the end of 1993. Revenues from the sale of oil, bananas, shrimp, cacao, and seafood amounted to $2.9 billion compared to $3 billion earned in 1992. Oil exports yielded $1.149 billion; bananas, $503 million; and shrimp, $451 million.

CONADE Director on Economic Prospects

94SM0266A Quito HOY in Spanish 16 Feb 94 p 5A

[Interview with Galo Abril, planning secretary for the National Council on Development, by Teresa Herrera; place and date not given]

[Text] The government expressed its optimism by guaranteeing Ecuadorans that 1994 will be "a very good year." Because of this the adoption of new economic measures was put aside, except for those still pending from 1993, such as an increase in the price of gas for domestic use and in telephone rates.

Nevertheless, other matters remain to be settled that involve the modernization of the state and privatization of its enterprises, the promulgation of new laws and regulations, and the announcement on the minimum salary of 66,000 sucres per month, that has not been changed since 1993.

"If there is not another decrease in the price of petroleum, or a landslide, or washouts, or floods, if these things do not happen, I would guarantee Ecuadoran society, Ecuador in general, that we will have a very good year in 1994," said Galo Abril, planning secretary for the National council on Development (CONADE).

Abril stated today in declarations to HOY that negotiations are under way with the IMF for "economic rehabilitation that will raise Ecuador's prestige in the eyes of international agencies, such as the commercial banks, among others."

The Interview

The following is the interview of the planning secretary by this newspaper:

[Herrera] What are the prospects for this year?

[Abril] The fall in the price of crude on the international market caused a budget deficit that was bridged by the latest increase in gasoline prices, so that the goal of inflation of about 20 percent calculated for this year is being attained; we believe that economic growth initially forecast at three percent will be about 2.5 percent due to a drop in public investment; and in the foreign sector we estimate that there will be good progress in the balance of payments and therefore maintenance, with a slight increase, of international monetary reserves. That is to say, the originally planned goals will be reached, economic growth will be less than 3 percent, but not dramatically so.

[Herrera] Will the new prospects affect public investment?

[Abril] In the process of compensating for the decline in the price of petroleum, the government has tried to preserve those investments in infrastructure that support production, such as highways, local roads, irrigation systems, drainage, and others, that are fundamental for farming in particular and for the agricultural sector to be able to bring their products to market. It will try to improve their production with the purpose of encouraging employment in two ways: directly, with employees engaged in infrastructural projects, and by greater production through support to private activity.

These projects have great importance, in their turn, in all branches of the construction sector, in material supply activities as well as in lumber and metal manufacturing, among others.

In housing, the 1994 program exceeds 20,000 units, which in itself means job creation. Therefore, if spending is used rationally to improve the infrastructure—although there may be a small reduction in growth—the original goals and social responsiveness through job creation, will be achieved in 1994.

[Herrera] Why will the monetary reserves not grow?

[Abril] Growth of the monetary reserves depends on economic growth, but we absolutely do not believe that reserves will be less than $1.2 billion at the end of 1994.

[Herrera] Given these prospects, will Ecuador reinitiate payments to the creditor banks?

[Abril] We do not know. It depends on the foreign debt negotiations.

[Herrera] With the latest adjustments in gasoline prices, which seems to have been one of the IMF's demands, the way would be open.

[Abril] I would like someone to certify for me what the IMF demands. I do not know why everyone has that on their mind: the IMF demands. We are negotiating economic rehabilitation that will raise the country's prestige in the eyes of international agencies, among others the banks, but these are things that we are planning.

[Herrera] As a sovereign country?

[Abril] Correct. I have not seen any IMF mission here that is demanding anything from the government's economic team. These are our proposals about the best way to reach economic stability in the country, including an agreement with private banks.

It is a problem that should not puzzle anyone. The country must pay its debts, first, to all of the multilateral lending agencies, such as the World Bank, the IDB [Inter-American Development Bank], the Andean Development Corporation and European governments, which constitute the sources of support, in large part, for the nation's investment.

In addition, we have a problem dating back years. It is one of not negotiating with private banks, and it is blocking an important flow of private investment capital and affecting the country's development, but nobody is imposing anything.

[Herrera] If investment in the country has declined, is the British magazine THE ECONOMIST correct when it discusses this subject?

[Abril] For investment to take place in a country, certain elements are required that are generally based on a stable economy, and from that point of view this government has managed to create a perception of stability that is attractive for foreign investment.

Another factor is political stability, which means that the established rules of the game, whatever they may be, are maintained. But if what is happening in Ecuador is the case, that once a rule is established it is immediately changed by political or economic circumstances, then we lose credibility abroad, and this is very harmful to the country, but it is not necessarily the fault of the national government.

A third element that attracts foreign investment is labor productivity, comparative advantage, and the country's resources, but if labor in Ecuador has low productivity because of poor education, poor training, and low adaptability, then it is not attractive for companies in which technology is intensive and changes rapidly.

[Herrera] Is the lack of trained manpower the major problem?

[Abril] It is not desirable to come to a country where manpower cannot be trained and retrained when required. It is the great national problem and we are working on it very hard: the general secretary for planning and the Ministry of Education are working constantly to deal with this problem, and there is already concrete progress: we have adapted to modern circumstances with a new program to train human resources.

The situation will not change overnight. These are requirements that Ecuador fulfills in part, but sometimes it does not, and this is often due to political instability.

[Herrera] Although there may be political factors, why is there no progress in the process of modernization of the state, and why has the new leadership for CONAM [National Modernization Council] not been named, following the resignations of its president and director?

[Abril] The delay in passing the law obviously blocked progress in the process of state modernization, particularly the public sector and the turning over to the private sector of those areas it can manage efficiently. Once the law is passed—and it is not what was needed for a dynamic process of modernization because it still has important restrictions—we will go forward.

Everything possible is being done, such as the sale of financial assets of the National Financial Corporation, the Ecuadoran Bank for Housing. Shares in the Selva Alegre cement company are about to be issued. The Ecuadoran Aviation case is almost completed.

It is true that new leadership for CONAM has not been named to manage that institution, but there is a technical working group made up of officials from the Finance Ministry, CONADE and the Comptroller's Office that is moving ahead, preparing solid modernization programs.

[Herrera] The sale of shares in the Financial Corporation and the Ecuadoran Aviation case occurred before passage of the modernization law. When will the government definitively start the process?

[Abril] These matters are under constant study. While the law was under debate, all situations were studied in which privatization or conversion to a concession were feasible.

Programs are already in progress in the hydrocarbons sector, such as pipeline construction; in the electric energy sector, turning over new generating capacity in small power plants to private enterprise, as well as aeolian power (electricity generated by the wind), among others.

The state has not stood still. If one is unable to see a transfer to the private sector, it is because the definitive legal framework has not been created, but greater dynamism will be evident this year.

[Herrera] Will the government propose new laws and reforms?

[Abril] Certainly. We have several, such as the law on electric energy, the law on concessions, on telecommunications, on government contracts, reforms of the monetary system law, and agrarian reform.

There are a great number of changes in the laws that are already prepared and they are being discussed with various social sectors to seek consensus.

[Box, p 5A]

On Investments and Salaries

The central government's investments for 1994 declined to 110 billion sucres, following the dramatic fall in the price of petroleum on the world market to $10 per barrel.

Nevertheless, Galo Abril, planning secretary for CONADE, said that many of the projects in the investment program would not necessarily be halted, because they will be carried out with other sources of financing, such as the State Bank.

A reduction in investment will be in effect for some of the large companies, such as EMETEL [State-Owned Telecommunications Company], PETROECUADOR [Ecuadoran State Petroleum Enterprise], INECEL [Ecuadoran Institute for Electrification], among other autonomous agencies.

"The reductions are not such as to change the government's goals in the composition of current spending. Public investment remains in proportion to national income, about 8 percent of gross domestic product (GDP); in 1993 it was 7 percent," said Abril, reiterating that this was no reason to expect an economic debacle.

[Herrera] Will the price of gas increase?

[Abril] This is a matter of restructuring budgetary income and spending, the general subsidies that benefit everyone, to focus subsidies directly on the poor, and with the money saved carry out social and public works. We are working on that.

[Herrera] Is this the only measure still to be taken?

[Abril] Yes, it is within the budget deficit under study. If the deficit cannot be covered with an increase in the value added tax, another source will have to be found. Therefore, with the adjustable duty on the price of gasoline, if the price of crude rises on the international market, tax revenues will improve and fuel prices will go down.

[Herrera] And what do you have to say about salaries?

[Abril] Salaries will be reviewed in July, as the law provides.

[Herrera] Would these be salaries only, or the minimum wage?

[Abril] We do not know. At the moment, there will be a review. It depends on how different cost components evolve and other factors, whether to choose one of the two, or to adjust both.

Paraguay

Armed Forces To Do Mission Denied to U.S. Troops

PY2403155094 Asuncion ABC COLOR in Spanish 24 Mar 94 p 11

[Text] After the weekly meeting that Juan Carlos Wasmosy, in his role as commander in chief of the Armed Forces, had with the top-ranking commanders, Colonel Carlos Medina Monjagata, director of the Social Communications Center of the Military Forces, on 23 March announced that our country's Armed Forces will after all carry out the joint operation called "Strong Roads '94 South" ["Fuertes Caminos '94 Sur"] in San Pedro Department. The operation will be carried out by units of the Engineering Command, and within the same time span that had been announced for the operation with U.S. troops. Monjagata could not explain where the funds would come from.

"The commander in chief on 23 March ordered that this operation be carried out on the same date and in the same region by units of the Army's Engineering Command jointly with other military units," Monjagata said.

The officer stated that the operation that was planned by the Americans will be carried out, "but with units of our Armed Forces." In this respect we must recall that the Paraguayan Government did not grant permission to the U.S. Armed Forces to carry out the operation, and denied entry to 600 soldiers and technicians that were going to build eight schools, the same number of water tanks, and a health center, and improve the roads in San Pedro Department.

The government's argument for not letting in the U.S. troops was based on the fact that some of the conditions that had been requested by the Americans were out of order.

When asked, Monjagata could not say where the Armed Forces would get the funds and resources to carry out this operation, which will be called "Strong Roads '94 South."

"Presumably the commander in chief will know where to get these funds," Monjagata said, and added that he did not have that information.

He indicated that in his opinion the funds will be provided from the budget of the Armed Forces.

It is strange that Wasmosy has ordered that the Armed Forces participate in an operation that deals with construction work, which should be in the hands of private companies, and it is also strange that the origin of the funds to be used has not been specified.

Industrial Union Withdraws Support for Government

PY2403155794 Asuncion NOTICIAS in Spanish 24 Mar 94 p 23

[Excerpts] Arturo Jara Avelli, president of the UIP [Paraguayan Industrial Union], reported that during the latest UIP executive board meeting the unanimous decision was made "to withdraw support for the government, as no results can be seen for this sector."

The UIP executive board will meet on 30 March to debate this issue as well as the country's economic situation and the government position in face of demands made by industrialists.

The rupture between the industrial sector and the government will lead within a short term to the withdrawal of its representatives in the Coordination Council for Social Development. This decision was conveyed yesterday to Industry and Commerce Minister Uvaldo Scavone, who also received the concerns of the industrialists.

Jara Avelli said: "Some of the problems we see in the current situation are an economic policy harmful to industry, the overvaluation of local currency that favors 'dumping' by some countries into the Paraguayan economy, and the lack of support for this sector." [passage omitted]

According to Jara Avelli, the industrialists gave the government eight months time by keeping a "prudent silence, and the government should have at least shown

the political will to solve the problems, but we did not see any such thing," and we therefore decided to withdraw our support.

He said: "Industry receives support in the electoral campaigns, and we saw within the economic program of President Juan Carlos Wasmosy an industrial development plan, but nothing of that plan has been fulfilled."

He added: "We realized the government's lack of a political will to change the economy of exploiting raw materials without added value, and of trying to solve the problem by importing subsidized finished products—in other words a system that creates hunger among peasants and favors a privileged group of importers."

He concluded by saying: "The government must realize it cannot continue to put the industrial sector aside."

Peru

Fujimori: 'Bad' Armed Forces Elements Linked to Drug Trade

PY2503005494 Lima EL COMERCIO in Spanish 17 Mar 94 p A5

[Article by "special correspondent" Gladys Bernal Barzola]

[Text] Atalaya-Ucayali, 16 Mar—The president of the Republic, Alberto Fujimori, admitted here the existence of ties between some bad Armed Forces elements and drug trafficking, and noted that the courts of law and military courts must not allow these crimes to remain unpunished.

The president said: "It is not that there are alleged ties. There actually are ties. Therefore, the Military Court Supreme Council has punished many of the elements involved."

Concerning the case involving drug trafficker Demetrio Chavez Penaherrera [alias "Vaticano"], the president indicated that the courts of law have opened proceedings to investigate the existence of any ties the drug trade might have with police and the military.

Celebrating the opening of another proceeding in the military courts, the president noted that, had this proceeding not been opened, the drug trafficker called "Vaticano" suddenly might have been released.

After his activities in Atalaya-Ucayali, Fujimori emphasized: "We will be drastic and inexorable. To this end, however, it is necessary for the courts of law and the military courts to work in coordination to guarantee that serious crimes like these will not remain unpunished." Fujimori was accompanied by Japanese Vice Foreign Minister Shozo Azuma [name as published] and other Japanese Government officials who delivered a number of donations to families afflicted by natural disasters throughout our country.

Moving on, Fujimori noted that the circulation of an Army document stating that the media are engaged in a campaign to discredit the Army is part of the freedom in our country.

Fujimori stressed: "Everyone in our country, without exception, has a right to voice his or her opinion. Since there is freedom of the press, there is also freedom of expression for the people and the institutions."

In Fujimori's opinion: "This freedom of expression would not be allowed in any other country." He mentioned some examples of impersonation, involving people or institutions, that would warrant lawsuits in other countries.

Fujimori noted: "These cases do not happen here because there is full freedom of the press and freedom of expression."

Within this context, Fujimori was asked about the habeas data right [by which a citizen can ask a government to supply all personal data it has on him or her] included in the Constitution, a right that has been described by various segments as a threat to freedom of the press.

Fujimori stressed: "I agree with championing freedom of the press and freedom of expression. The way this habeas data right will be regulated, I am sure it will guarantee these freedoms. Therefore, those remarks about the existence of threats to these freedoms are groundless."

Moving on, President Fujimori announced that the draft of a letter of intent scheduled for signature with the IMF one and one-half months ago did not deserve his or the Council of Ministers' approval because it changed some of the government's goals that had been duly established.

These goals include investments in the social field involving infrastructure improvements in education, health, highways, and so on.

Fujimori noted: "I am sure the IMF will understand our goals. The economic stabilization and pacification goals are maintained. Nevertheless, a social program is required. We already have explained this social program to (IMF managing director) Michel Camdessus, who supports it, but we want it mentioned in the letter of intent."

Another issue discussed by the president involved the reorganization of the National Police, especially Dincote [National Counterterrorism Directorate], and the recent terrorist actions that elicited criticism in the sense that the government had lowered its guard, which was ruled out by the president.

Fujimori said: "This government actually has an effective antiterrorist strategy. The attacks do not represent a Shining Path revival or an ability to recover. Rather, they represent a weakness that we will use to our advantage within the same strategy."

Fujimori admitted that the police are experiencing an adjustment process, but explained that it represents an adjustment to a new situation in order to enhance effectiveness.

Fujimori stressed: "In this field, we will not lower our guard an inch. The change of commands has been criticized, but the National Police have been strengthened and organized to such an extent that they fulfill their duties under any command."

The presidential entourage landed at Atalaya airport, changing their initial course to a location in the Andean mountain range because of weather problems.

In Atalaya, Fujimori visited some hamlets and then went by helicopter to the San Jose de Cutivireni base where about 1,400 Ashaninkas, rescued by a religious mission from the Shining Path, have been living since 1991.

Of the 1,400 Ashaninkas, of whom 350 are children, 465 presented themselves voluntarily and 200 recently sought shelter under the Repentance Law.

Uruguay

Lacalle Delivers State of Nation Address

PY2403192194 Montevideo EL PAIS in Spanish 17 Mar 94 pp 8-10

["Text" of Uruguayan President Luis Alberto Lacalle's state of the nation message to Congress in Montevideo on 15 March]

[Text] Mr. President of the national Congress, Gonzalo Aguirre Ramirez:

In compliance with Article 168, Clause 5, of the Constitution, the executive branch appears today before Congress to report on government actions since 15 March 1993. Details of executive branch activities, ministry by ministry, were delivered to the legislators today; that document forms part of this message.

It is with great satisfaction that I once again confirm the full enforcement of the Constitution and the state of law, as well as the full enjoyment and exercise of the people's rights.

This is the fourth and last time during this administration that the executive branch appears before legislators, who are the direct representatives of the people's sovereignty. This message has a special significance because, although this administration has almost one more year in power, our institutional rules do not establish a further appearance before the legislative branch, apart from that in March of each year. We reaffirm here what has been said many times: The government administration is a five-year term and although national elections are held during the fifth year, we hope it will also be a year of important achievements to show, among other things, that the health and strength of the democratic system not only relies on electoral events, but in the effective exercise of the constitutional rights of government in the search for solutions to national problems.

Honorable legislators: We believe it is necessary to deliver on this occasion—the last established by the Constitution—a balance of the government administration to date so that the people will understand what has been done over the year and learn about the real operation of the political system which they authorized through their votes.

Before getting down to details, it is necessary to recall the conditions under which government actions have been developed during this period. Prior to the elections, we who were elected to hold government functions through the votes of our fellow countrymen prepared a clearly defined line of action, both the objectives and the means to implement them.

We believe it is very important to recall this point because we believe the people need a clear understanding of why government action is required to strengthen the democratic system.

Honorable legislators, we were clear in our government proposal and we have tried to be consistent in fulfilling our promises.

The relationship among the forces that emerged from the elections should also be recalled. The results approved by the Electoral Court determined that within Congress no single party had the majority. This was known beforehand, it came as no surprise due to the relatively equal strength of the political forces. Being aware of this situation, we emphasized before and after the elections the need to reach political agreement to allow operational congressional majorities in order to have an effective government administration.

It is known that our country chose the law as the main government instrument. Our registries have about 17,000 laws. The most important issues, as well as those of lesser importance, have been resolved through the approval of legal rules, therefore their reform require decisions of equal juridical level. This is why the congressional majority is extremely important for us because while the executive branch is exclusively responsible for promulgating decrees, this is not as significant as in other countries.

This situation justifies the attempt to organize a political coalition, except in the case of a party that wants to obtain an absolute majority in both houses. Large sectors of society seek to amend the Constitution in an attempt to facilitate or even force political parties to achieve solutions by consensus and thus make political action more fluent and efficient.

The current Constitution does not forbid this, given that an agreement among parties or party sectors is enough to approve far-reaching laws. This is what we sought at the beginning of this administration, but we did not obtain

the results we expected. Perhaps future governments should ask why—and the answer probably is not in the Constitution—we need to adopt congressional coalitions as a political practice. This is envisaged in our Constitution and leads to the formation of congressional blocs which in turn create relative participation in the cabinet.

We thought such coalitions would be even more feasible in light of the coincidences over the diagnosis and government solutions which the large political parties announced. Unfortunately this was not the case. This is the reason behind the delay in approving some laws designed to bring about changes and the rejection of others.

Relations between the executive and legislative branches developed within the framework of institutional normalcy and mutual respect which, notwithstanding the harshness we use when exerting our freedom of opinion, constitute a national characteristic.

During this congressional term the executive branch has sent 414 draft bills to Congress. As stated before, not all bills were equally important. Their quantity does not thus allow us to measure the degree of efficiency of our relations. During this speech I will mention the ones I consider most important.

Congress has exerted its constitutional wisdom as comptroller—as established in Articles 118 and 119 of the Constitution. Congress requested many reports and summoned ministers on 17 occasions. The number of times executive branch officials were called to participate in congressional committee sessions increased considerably, almost to weekly summons, which prompted an intense relationship between the two branches and allowed congressmen to become fully acquainted with the opinion of the executive branch in many fields.

The executive branch exerted its right to veto 11 times, thus using the last resort of its institutional relationship with Congress. Of the 11 vetoes, six were withdrawn to solve differences of criteria on the matters involved.

We must point out the occasions on which the executive and legislative branches agreed on a subject allowed the approval of important and probably beneficial and necessary laws to attain national objectives. Among these we can mention the approval of the Treaty of Asuncion [creating the Common Market of the South, Mercosur]; the reform of the port system; the much needed fiscal adjustment; the public employees law; the creation of investment banks; the relative deregulation of the insurance market; the public enterprises law, which was later partially annulled through a plebiscite; the new financial intermediation law; and the creation of the Ministry of Housing, Territorial Order, and Environment, among others.

Since the beginning, the executive branch has established economic and social objectives whose partial or total accomplishment must be explained during this speech. I will now expand on our goals and achievements in the economic field.

The executive branch set for itself the goal of creating—as much as a government can—a framework of conditions permitting and favoring stability and sustained growth within the economy.

For this it was necessary to face great difficulties, some of them long entrenched.

We had to face economic stagnation, low investment levels, and a protracted high inflation rate that threatened to run out of control. Our economy was still very closed and bore the burden of a large foreign debt and a costly and inefficient state apparatus, the financing of which had generated a strong fiscal deficit and negatively affected the public financial system.

It was necessary to attack many problems simultaneously and in some cases urgently.

This administration decided to face our fiscal deficit problem with determination. We are convinced that balanced public accounts are indispensable for economic stability and essential for achieving sustained growth.

When we assumed power on 1 March 1990, our public accounts showed a deficit of 8.7 percent of the GDP. This represented a 6.7 percent deficit existing in December 1989 plus an additional 2 percent that resulted from the constitutional reform on pensions adjustment.

With the help of the fiscal adjustment law, mentioned above, the government reduced that deficit to 1 percent of the GDP. Here we must note the rigidity of some budget items. The contribution of the General Revenue to the social security system clearly stands out. This assistance totalled $19.4 million in 1990, $96.8 million in 1991, $171.2 million in 1992, and $282 million in 1993.

Just to mention these figures shows the unpostponable need to radically modify the national social security system, not only to strengthen it, but also to see that the burden is not so heavy on workers, the national productive apparatus, and the Treasury. If this were the case we could liberate resources to invest in other programs which would undoubtedly benefit the entire community.

The balance of public accounts, as well as the implementation of reliable and appropriate monetary and foreign exchange policies have contributed to a gradual drop in inflation, which is a scourge that affects our entire society but which hurts particularly those without fixed incomes.

At the start of this administration inflation was moving upward, with a hyperinflation trend. Following the implementation of some difficult measures inflation began to slow down and then to drop. Today, and

without feeling self-satisfied, we can point out that inflation has dropped below an annual rate of 50 percent. In 1990 it was 129 percent.

Our economic stabilization was accompanied by a deepening of the economic opening that had been implemented during previous years, seeking a more efficient allocation of resources. This consisted of simultaneously implementing a double opening process: regional integration within the Mercosur process and unilateral global opening through a gradual reduction of tariffs and custom barriers. It is important to note that these measures were announced ahead of time so as to create confidence among economic agents at the time of making decisions.

This economic opening, together with the stabilization process, has favored investments and growth, a process of productive reconversion, and a general modernization of the country. One indication of these factors is that productivity has increased.

The importation of capital goods, which was encouraged by the government through tariff and tax reductions, doubled between 1989 and 1993—rising from $156 million in 1989 to nearly $350 million in 1993. Our entire transport system has been renovated, including buses, trucks, and automobiles. The importation of machinery and equipment rose from $138 million in 1989 to nearly $300 million in 1993.

This modernization process also affected other areas. The use of computers and telecommunications equipment increased. Even in our homes there was a process of renewal and equipping with durable goods that is unprecedented in our recent history. The importation of durable consumer goods went from $78 million in 1989 to over $250 million in 1993.

The balance of trade, which was negative due to this import boom, and the negative effects of the low prices of some of our national primary export did not hide a continuous increase in nontraditional exports, which together grew by 20.5 [not further specified] between 1989 and 1993, despite a modest increase in 1993.

The balance of payment is favorable and our external front, which is in line with the other macroeconomic variables, registers very positive indexes. We are talking about a positive balance in our balance of payments as a result of the entry of capital and tourism, which—duly stimulated—continues to grow.

We must also refer to what our country owes and what it used to owe. Our net public debt during this past term dropped considerably. It must be recalled that in 1989 it represented 28.2 percent of the GDP. By the end of 1993 it had dropped to 13.9 percent as result of refinancing, the increase in our international reserves, and the drop in demand for funds by public organs thanks to their streamlining. Net international banking system reserves—including the Central Bank, the Bank of the Republic, and private banks—amount to $2.962 billion. This is well up on the $1.768 billion registered at the end of 1989. The net foreign reserves at the Central Bank are now balanced, compared with a $915 million deficit found in February 1990.

Financial streamlining, stabilization, economic opening, investment promotion, and all the objectives to encourage economic growth—which are indispensable for our society and transformation—require the transformation of the state.

Under the heading of state reform, this administration promised to substantially modify that ancient institution. This field can be subdivided: it can either be changed either through a law or through an executive branch decree. The choice determines a different degree of importance within national life.

In the field of state participation, since the beginning of the century state industrial and commercial activities have been organized under their own clear, unique, profile, because that is how those who governed the country understood things. It is wrong to now criticize solutions which past governors applied as necessary and beneficial for the common good. It must nonetheless be said that despite the solutions implemented in the past, most political forces recognize this situation is a problem that must be solved.

Soon after the beginning of my mandate, this administration sent a draft bill to Congress attempting to coordinate practically all public activities by proposing a deep transformation. It was fully analyzed by Congress, which even sought outside opinions and counseling on different aspects. The first result of the work of Congress was the separation of one of the aspects the law wanted to reform: port activities. Congress turned it into a completely different entity.

The central theme was approved by Congress and became part of the Public Enterprises Law. The draft bill established in one of its chapters gives general norms for all public enterprises, introducing the gradual changes in them. Another chapter refers to other specific subjects like the public telecommunications company, the airline, and the fishing enterprise. The public debate before and after the approval of the law resulted in a plebiscite as a definite solution to the problem. This initiative, by will of the people was centered on partial aspects of the law which were abrogated by the end of 1992 by decision of the people. Where validity was maintained, given that the subjects were not included in the plebiscite, the executive branch proceeded to liquidate the ILPE [State Seal and Fishing Industry] and to implement a mechanism to draw private capital into PLUNA [Uruguayan National Airlines].

The executive branch suggested that the funds raised from the implementation of the mentioned law should be invested in health, education, housing, or the capitalization of the Social Security Bank. This was done and the funds raised from the liquidation of ILPE—which were small in face of the needs of the country—were

invested in education, implementing a real transformation in state patrimony. National assets were reassigned to more productive social objectives.

The Port System Reform Law passed by Congress and which was not subjected to the plebiscite, is currently fully enforced and the results of its application are evidently satisfactory. It must be pointed out that an important activity like the exploitation of our ports, has rendered the following results:

—Productivity in cargo handling increased according—based on the time the cargo spends on the dock—by 300 percent for cargo, 200 percent for bulk cargo, and 88 percent for containers;

—The average time a ship remains in the port of Montevideo has dropped from 12 hours in the roadstead to 0 hours [as published], and the time they remain in port has dropped from 78 hours to 34 hours;

—The volume of cargo moved in the Port of Montevideo in relation to the number of ANP [National Ports Administration] workers rose from 360 metric tons "per head" in 1990 to 1,100 metric tons in 1993;

—Port tariffs dropped 26 percent on imports, 33 percent on transshipment and traffic, and 10 percent on exports;

—The number of ANP employees dropped from 4,400 to 2,400;

—The total cost of stopping in Montevideo is 50 percent less for shipowners than any other nearby port;

—The time ships remained docked has dropped by 40 percent;

—The traffic of ships continues to increase by 2.5 percent per year: the number of containers has increased by 12 percent.

These details reveal the benefits of a reform like this for the entire community. Its prospects are even more promising if one considers there are more than 40 authorized trading enterprises [empresas de prestacion de servicios de mercaderia] in Montevideo and ports in the interior, most of which entail national capital. We have thus achieved the diversification of the market and encouraged national enterprises to participate.

The reduction of port employees through incentives and the natural reduction process was carried out without hardship to the workers involved.

Another significant chapter in this state reform was the approval of the law that eliminated insurance company monopolies. This law broadens the consumers' alternatives for a service as important as insurance. It will be fully in force by next May, according to Decree No. 530/93

The post of insurance superintendent will be created soon. It will handle this important activity of modern times.

But the impact of state activities on daily developments does not end with the great productive fields. Many times this impact is also felt in regulations and bureaucratic procedures that hinder and obstruct the activities of private individuals or enterprises. To free citizens of useless regulations and rules, the executive branch is creating the Plan to Deregulate Foreign Trade and Investments [Plan de Desregulacion del Comercio Exterior y las Inversiones] (Plades) and the Pronade [National Debureaucratization Program].

Without going into details, it should be pointed out that by eliminating superfluous red tape, useless forms, unnecessary signatures, and purposeless sworn statements, Plades and Pronade—whose implementation has demanded a minimum investment—will save thousands of dollars, without mentioning the saving in time and energy. We also mention the great changes in the state purchasing system as well as the changes in administrative procedures through Decree No. 500, which was approved in December 1991.

There is still a lot to be done but there are many successful examples. A more efficient and cheaper port is a good example. An efficient ground service at Carrasco airport is another good example. We can also mention the importance of the elimination of inefficient activities such El Espinillar, ILPE, the National Printing Shop, and the personnel cuts in all public enterprises.

The results can be calculated in many ways. Everyone is aware of the impact of tariffs on our economy. It should be pointed out that between 1989 and 1993 the price of diesel fuel has dropped in real terms by 44.3 percent, fuel oil by 36 percent, and electricity by 17.2 percent. In the case of phone tariffs, the real reduction averages 40 percent.

There is still a lot to be done in the state reform field and all political parties are aware of this.

Messrs. legislators: The results of the measures taken in the economic field are numerous, yet they represent a single result. In last year's message I pointed out that the government did not have enough power to drive society towards certain purposes; but it did and does have the power to create the necessary conditions for economic agents to grow.

We should all feel proud, without running the risk of being complacent, that the country has confronted the great difficulties and the deep-rooted changes a greater commercial opening demands, not only dodging the threat of economic recession like that currently affecting many countries, but resuming the path of growth.

Our output grew by almost 1 percent in 1990; by 2.9 percent in 1991; and by 7.4 percent in 1992. We estimate the percentage duly adjusted for last year amounts to 2.5 percent.

The same goes for investments: They grew by 22.3 percent in 1991; by 9.9 percent in 1992, and by about 20 percent in 1993. This tendency, according to the behavior of some indicators, continues.

Unemployment indicators also show a positive tendency with historically low levels. Real salaries and family incomes have also increased.

Salaries in the private sector grew, in real terms, by 3.3 percent last year, while public salaries grew almost by 8 percent. The real family income grew in Montevideo: If it stood at 100 points in 1989 it reached 115.2 points in 1993.

Roundup of Economic Reports

PY2403233494

[Editorial Report] The following is a compilation of reports on economic activities in Uruguay monitored through 24 March.

The Central Bank's money supply dropped 3.7 percent in January and increased 4.4 percent in February. The monetary base decreased $164.4 million. (Montevideo BUSQUEDA in Spanish 10 Mar 94 p 24)

The National Statistics Institute reported that in January the unemployment rate was 8 percent of the economically active population, the lowest rate in the past few years. The employment rate was 58.1 percent. (Montevideo BUSQUEDA in Spanish 10 Mar 94 p 26)

Venezuela

Copei President Urges Support for Caldera, Warns of Coup

PA2403204894 Caracas ECONOMIA HOY in Spanish 21 Mar 94 p 3

[Report by Lusiana Colomine; all quotation marks as published]

[Text] Hilarion Cardozo, president of the Social Christian Party (Copei), yesterday made a dramatic appeal to the nation to rally around Rafael Caldera's government, claiming that there will certainly be designs to speed up a forceful solution—in other words, a coup d'etat in Venezuela.

At a time when the country is apparently calm—a calm fed by expectations created by the new government's search for a positive change in the course of the economy—Cardozo openly reestablished fears of a rebellion or a popular uprising. In his opinion, "a democratic consensus was not restored" in the 5 December elections because Caldera won the elections by a narrow margin.

"I hereby declare with unwelcome dread that President Caldera's democratic election, coming within the framework of a de jure state, is not a point of unity among all Venezuelans because there are still unsavory people who insist on continuing the crisis in the country. For this reason, I urge the government to make great efforts toward reorganizing democracy."

Cardozo's position can be summed up in three possible scenarios that could threaten the nation's peace: a self-inflicted coup, a rightist coup, or a leftist coup, without forgetting the possibility of agitation by subversive groups.

"I think all three of these elements are at work. Certain economic and social sectors, as well as Venezuelan capitalists, are trying to persuade the 27 November coupists into perpetrating what they describe as a civic-military coup. In addition, the people who had struggled in the Army as a military movement, who later became a political group, and who have now split into two factions with the separation of Chavez and Cardenas favor an insurrectional coup staged by a group of former guerrillas. There are some who say it is best to militarily support the president-elect to reinforce the government in this way."

Would President Caldera support a self-inflicted coup?

I do not think Caldera would. I know him very well. I received very good advice from him all my life. He used to tell me: Freedom and justice can be attained only through the law. Because of his age, and because of his experience, I do not think he believes such an action would agree with the law.

Cardozo thinks the possibility of a coup will become clearer when the coupists who have been acquitted leave San Carlos prison, "because many rebels want to participate in politics, but we do not know whether they want to do this by way of democracy or subversion."

According to Cardozo, the best political consensus ever attained in Venezuela's democratic history occurred in 1961 when the Constitution was drafted. A similar consensus should now bring together the government "to reinforce democracy." Cardozo also spoke firmly about "subversive techniques." "A coup is not the only way. There are subversion and dislocation techniques. There are psychological techniques to create conflicts and confrontations with one another. There are demoralization techniques. The government must be aware of this."

Cardozo says the government and Congress must act. He says democracy cannot work if the population upholding it is not incorporated into it. The government must aim its actions at resolving problems, such as the high cost of living; joblessness; lack of housing, health, and education; and personal safety. Only in this way can the people defend democracy.

"I want to tell you that the worst possible deal is to gamble on Caldera's failure, because the hope aroused by

this government is based on him being a trustworthy man who maintains a clear social awareness. If this crumbles, and if this hope is turned into disappointment, those who benefit will not be the system's parties but those who believe that the only solution is one of a rebellious or military nature."

Cardozo voiced an already general concern, prevailing confusion. "If there are doubts along the way, it is because no one is clearly showing the way." In turn, he issued an appeal to Caldera, who must reach an understanding with all sectors of the country to restore the people's faith in democracy.

"The unification of the political, economic, and social sectors is required if we are to seek understanding. If this escapes Caldera's hands and a fight to the death is unleashed among the violent sectors to see who can protest more violently in the streets, chaos and national confrontation will be so great that they will be difficult to check."

Cardozo's news conference only lacked the musical background of the first movement of "Carmina Burana" by Carl Orff, because he finished his remarks with nearly biblical remarks reminiscent of an apocalyptic finale. Although he did not mention the "Antichrist," from his remarks, it is evident he is among us. This is why Cardozo advocated what he called "an alliance for good" for the sole purpose of making it possible for the government to meet the economic challenges at hand.

National Convergence Backs AD's Empowering Bill Proposal

PA2403154994 Caracas Venezolana de Television Network in Spanish 2350 GMT 23 Mar 94

[Text] National Convergence [CN] supports Democratic Action's [AD] empowering bill proposal which gives special powers to the executive to sign into law a tax package presented at Congress. CN coordinator Jose Miguel Uzcategui said the party has already told the president their position. He also said, however, that CN legislation experts have studied the empowering bill proposed by AD and have found that financial and economic outlines, which should have been included in the proposal, are missing. He also said that analysts have been looking into past experiences with previous empowering laws, particularly those during former President Ramon J. Velasquez' time when he was forced to apply measures, like the value-added tax, on consumers.

[Begin Uzcategui recording] Additionally, we must discuss the temporary nature of the law. Three of the previous experiences lasted one year each and the last one lasted five months. We believe some decrees can be drafted and enacted in 30 days. This period of time, however, is too short for fiscal measures. [end recording]

Finally, Uzcategui said it is the president which must decide on an empowering bill, providing the president is familiar with the bill's definitive wording.